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Report of the directors to the stockholders.
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REPORT
TO THE
STOCKHOLDERS
OF THE
UNION PACIFIC RAILWAY
FOR THE YEAR 1882.

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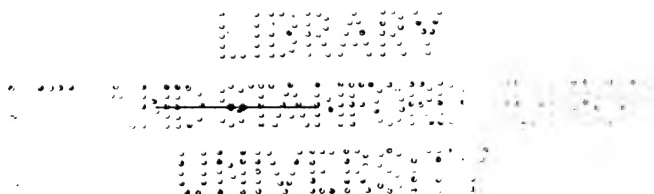
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REPORT
TO THE
STOCKHOLDERS
OF THE
UNION PACIFIC
RAILWAY,

FOR THE YEAR 1882.



NEW YORK :
RUFUS ADAMS & Co., STATIONERS AND PRINTERS, 4 AND 6 PINE ST.,
1883.

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DIRECTORS

OF THE

UNION PACIFIC RAILWAY COMPANY.

F. L. AMES.....	Boston.	SIDNEY DILLON.....	New York.
ELISHA ATKINS.....	Boston.	DAVID DOWS.....	New York.
EZRA H. BAKER.....	Boston.	JAY GOULD.....	New York.
F. G. DEXTER.....	Boston.	RUSSELL SAGE.....	New York.
CHAS. FRANCIS ADAMS, Jr.	Boston.	SOLOMON HUMPHREYS.	New York.
S. H. H. CLARK.....	Omaha.	ANDREW H. GREEN..	New York.
G. M. DODGE.....	Council Bluffs.	AUGUSTUS SCHELL..	New York.
JOHN SHARP.....	Salt Lake.		

GOVERNMENT DIRECTORS.

ISAAC H. BROMLEY.....	New Haven, Ct.
GEORGE G. HAVEN.....	New York City.
WATSON PARRISH.....	Oakland, Neb.
EDWARD P. FERRY.....	Park City, Utah.
COLGATE HOYT.....	New York City.

GENERAL OFFICERS.

SYDNEY DILLON.....	<i>President</i> , New York.
ELISHA ATKINS.....	<i>Vice-President</i> , Boston.
SYDNEY BARTLETT.....	<i>General Counsel</i> , Boston.
JOHN F. DILLON.....	<i>General Solicitor</i> , New York.
HENRY McFARLAND.....	<i>Secretary and Treasurer</i> , Boston.
O. W. MINK.....	<i>Assistant Secretary and Assistant Treasurer</i> , Boston.
JAMES M. HAM.....	<i>Assistant Secretary and Assistant Treasurer</i> , New York.
H. B. WILBUR.....	<i>Auditor</i> , Boston.
JAMES G. HARRIS.....	<i>Transfer Agent</i> , Boston.
H. J. WORCESTER.....	<i>Transfer Agent</i> , New York.

OFFICERS ON THE LINE.

S. H. H. CLARK.....	<i>General Manager</i> , Omaha.
T. L. KIMBALL.....	<i>Assistant General Manager</i> , Omaha.
A. J. POPPLETON.....	<i>Attorney</i> , Omaha.
J. P. USHER.....	<i>Attorney</i> , Lawrence, Kansas.
J. W. GANNETT.....	<i>Auditor</i> , Omaha.
FRANK D. BROWN.....	<i>Cashier</i> , Omaha.
P. J. NICHOLS.....	<i>General Superintendent Nebraska Division</i> , Omaha.
S. T. SMITH.....	<i>General Superintendent Kansas Division</i> , Kansas City.
A. A. EGBERT.....	<i>General Superintendent Colorado Division</i> , Denver.
E. DICKINSON.....	<i>Gen'l Superintendent Wyoming Division</i> , Laramie, Wyo.
W. B. DODDRIDGE.....	<i>Gen'l Superintendent Idaho Division</i> , Ogden, Utah.
E. P. VINING.....	<i>Freight Traffic Manager</i> , Omaha.
J. W. MORSE.....	<i>General Passenger Agent</i> , Omaha.
C. S. STEBBINS.....	<i>General Ticket Agent</i> , Omaha.
LEAVITT BURNHAM.....	<i>Land Commissioner</i> , Omaha.
B. McALLISTER.....	<i>Land Commissioner</i> , Kansas City.

REPORT.

*To the Stockholders of the
Union Pacific Railway Company.*

Your Directors submit the following report of the operations of the Company for the year ending December 31st, 1882.

LENGTH OF ROAD.

UNION DIVISION:

Council Bluffs to the Junction with the Central
Pacific Railroad, - - - - 1,042.4 miles.

KANSAS DIVISION:

Kansas City to Denver, and Leavenworth to
Lawrence, - - - - 672.5 miles.

CHEYENNE DIVISION:

Denver to Cheyenne, - - - - 106 miles.

Total, - - - - 1,820.9 miles.

EARNINGS AND EXPENSES.

*The Gross Earnings of the Company for the year were	- - - - -	\$22,823,884.24
Operating Expenses (including Taxes,	-	10,727,049.28
		<hr/>
Surplus Earnings,	- - - - -	\$12,096,834.96
Interest and Dividends collected on Investment Securities,	- - - - -	2,211,099.35
		<hr/>
Total Surplus Earnings,	- - - - -	\$14,307,934.31

PAYMENTS.

Interest on Bonds,	- - - - -	\$4,976,203.93
Discount, Interest and Exchange,	-	172,722.31
Sinking Funds,	- - - - -	442,000.00
Amount due the United States on the business of the year,	- - - - -	2,097,189.90
Premiums paid on Bonds redeemed and losses on Securities disposed of,	- - - - -	18,923.16
		<hr/>
		7,707,039.30
Balance applicable to Dividends,	- - - - -	6,600,895.01
Stock Dividends, 7 per cent,	- - - - -	4,260,788.00
		<hr/>
Surplus for the year,	- - - - -	\$2,340,107.01

FUNDED DEBT.

The total Funded Debt of the Company,	\$90,717,707.55
Less amount held by Trustees of Consolidated Bonds,	- - - - - 8,872,200.00
	<hr/>
Balance outstanding	- - - - - \$81,845,507.55

*The gross earnings of the Union Pacific System, including Branch Lines, amounted to \$30,363,927.75 for the year 1882.

BONDS RETURNED AND CANCELED DURING THE YEAR.

Land Grant Bonds, - - - - -	\$714,000.00
Sinking Fund Mortgage Bonds, - - - - -	143,000.00
Omaha Bridge Bonds, - - - - -	77,000.00
Collateral Trust Bonds, - - - - -	131,000.00
Bonds held by Trustees Denver Extension	
Mortgage, Denver Extension Bonds, -	88,000.00
	<hr/>
Total, - - - - -	\$1,153,000.50

EARNINGS.

From Transportation of Passengers -	\$5,197,730 01
" " Freight - -	15,402,167.37
" " Mail - -	746,515.61
" " Express - -	748,932.30
" Miscellaneous Earnings, - - -	728,538.95
	<hr/>
Total, - - - - -	\$22,823,884.24

Compared with the preceding year there has been an increase of 1 1-4 per cent. from transportation of passengers, three per cent from transportation of mails, four per cent. from express transportation and thirteen per cent. from miscellaneous business. The increase in earnings from the transportation of passengers, although small in amount, is regarded as a very favorable result of the year's business in view of the diminished rate of passenger fare, and also of the opening during the summer of another railway line between the Missouri River and Denver. It is also a favorable feature that although there was a loss in earnings from through passenger traffic, there was an increase in earnings from local passenger traffic in excess of that loss.

The earnings from transportation of freight were \$1,660,959.82 less than the earnings from the same source during the preceding year. The diminished earnings resulted in

consequence partly of reduced rates of freight transportation, which amounted to nearly one-tenth of one cent per ton per mile on the entire freight tonnage of the year, but chiefly from diminished quantity of through and Pacific Coast tonnage.

The tonnage of local freight increased from 1,402,860 tons in 1881, to 1,609,500 tons in 1882, and the aggregate tonnage of freight moved on the road whether for short or long distances in 1882 was 36,600 tons in excess of the tonnage of 1881. In the transportation of metallic ores and coke there has been an increase of tonnage over the preceding year of 56 per cent., in wheat and corn of 40 per cent., and in agricultural implements, vehicles and lumber, of 20 per cent., and of merchandise of 180 per cent.

OPERATING EXPENSES.

The operating expenses (including taxes) in

1882, were,	-	-	-	-	-	\$10,727,049 28
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The operating expenses (including taxes)

in 1881 were,	-	-	-	-	-	12,480,342 71
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Decrease in 1882.....	\$1,753,293.43
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The percentage of operating expenses (including taxes) to gross earnings for the year 1882 as compared with the year 1881 decreased from 51.45 to 47 per cent.

It will be observed that the very material reduction in the expenses of maintaining and working the road for 1882, when compared with 1881, which was anticipated in the last Annual Report, as the result of the large expenditure of the preceding year for repairs to track and rolling stock and for steel rails, has been fully realized in the diminished rate for 1882 of 4.45 per cent. of operating expenses. More efficient train service has also been secured, thereby promoting the convenience of both passengers and of shippers of freight.

COAL MINING.

The Coal mined by the Company for the use of its locomotives and shops, and also for sale, amounted to 738,220

tons which cost an average of \$1.46 1-2 loaded on cars. Of this quantity there were sold 238,891 tons at an average price of \$5.28 per ton.

The mines worked by the Company are situated at six different localities in the State of Colorado and in the Territories of Wyoming and Utah. The coal of each locality has a distinctive character, but all the varieties are excellent for steaming purposes; and, in addition, the coals from Rock Springs and Grass Creek are especially valuable for domestic use.

During the past year the sum of \$151,100 was expended in opening new mines and for additional machinery. This expenditure has brought the capacity of the mines to the daily output of 5200 tons which is about twice the output of the past year.

The increase in the consumption of coal along the line of the Company's Railroad being at the rate of about 25 per cent. per year, it would appear that provision has been made, by these improvements, for the probable demand for the next three years.

Realizing the fact that cheap fuel is an important element in the development of mining and manufacturing interests, and also of agricultural interests in a section of country where wood is expensive, the Company has adopted the policy of furnishing coal to consumers along the line of its road at a small advance on the cost of mining and transportation. The increased quantity of coal sold during 1882 over 1881 amounted to 66,605 tons, and the decreased cost to consumers was at an average rate of ten cents per ton. It is probable that increase of demand will continue to be accompanied by reduction in price.

LARAMIE ROLLING MILL.

The Company's mill at Laramie turned out 11,832 tons of iron rails and 5,884,339 pounds of bar iron, splices, spikes, bolts and nuts. The rails were laid on the lines of controlled roads, and the rail fastenings were used both for those lines and for the steel rails on the Company's main

lines. Arrangements have been made to substitute gas furnaces for the heating furnaces now in use at this mill, which will not only effect a large saving in the cost of fuel, but will also ensure a superior quality of manufactured iron.

There yet remain in the main track on the Kansas and Denver divisions of the line 30,000 tons of iron rails, which can be re-rolled at this mill when taken up to be replaced by steel rails, and can be used for side tracks on main lines, and for those branch lines having a very limited amount of business.

LAND SALES.

During the year there were sales of land to 3062 purchasers, who bought 398,074 acres at the average price of \$4.45 per acre. The proceeds of the Land Department, including sales of town lots, amounted to \$1,625,618.32. The net proceeds of the Union Pacific Land Grant to Dec. 31st, 1882, amounted to \$8,307,654.62; and the Kansas Pacific and Cheyenne Land Grants to same date, amounted to \$5,560,532.72, the Total being \$13,868,187.34. The lands of the Company remaining to be sold have not yet been fully surveyed and sectionized; and it is therefore impossible, at this time, to state their exact character. It is certain, however, that they include a large area of land cultivable without irrigation, several millions of acres where irrigation is necessary in order to raise crops, but where water is attainable at a warrantable cost; and also other millions of acres of land valuable for pasturage. A very small percentage of the lands of the Company is approximately without value. The lands in the Bitter Creek country, which from surface indications appear to be almost valueless, are underlaid with workable veins of bituminous coal of excellent quality, and in several localities these lands contain deposits of valuable iron ore.

The coal lands belonging to the Company, from the most easterly to the most westerly outcrop, extend along the line of the railroad, a distance of over four hundred miles. From coal developments and outcroppings it is estimated

that the area of the Company's coal lands amounts to several hundred thousand acres. The artesian well borings at Rock Springs, where the Company mined 276,000 tons of coal last year, showed an aggregate thickness of sixty feet of coal in a depth of 1,200 feet; and at Almy, where the Company mined 116,000 tons of coal last year, the producing vein is twenty-eight feet thick.

RENEWALS AND REPAIRS.

During the past year 16,854 tons of steel rails were laid in renewal of track. The line from Council Bluffs to Ogden, 1,042 miles, and also about one-half of the Kansas Division are laid with steel rails. There were 690,637 cross ties of oak, cedar and pine laid in place of old ties taken up. These renewals have served to maintain the track in thoroughly good condition. Six iron truss bridges have been built, having a total length of 2028 feet, in place of wooden bridges; and additional iron truss bridges are in course of erection. Ninety pile bridges have been built, having an aggregate length of 6,150 feet. In addition to entire renewals of bridges as above stated, renewals of stringers, caps, &c., have been made to 74 truss and pile bridges, having an aggregate length of 4,485 feet.

To afford proper accommodation for freight business, and to avoid delay to trains, it was found necessary to lay 37 miles of new side track during the year. Iron rails but slightly worn, taken from the main track, were used for this purpose.

The report of the Government Directors to the Secretary of the Interior, dated February 19th, 1883, states:—"The road will compare favorably in all respects with any other railroad line or system in the country. It has now a solid, well-ballasted road-bed, with all steel rails throughout the main line; the grades and curves are being reduced to a minimum as rapidly as possible, the stations are well ordered, and kept in good condition."

The locomotive service has been greatly improved by the addition of 12 powerful consolidation engines, in place of

16 locomotives too light for economical service, which were sold.

The total engine mileage for the year was 9,611,683 miles, and the train mileage cost \$1.11 6-10 per mile.

CONNECTING RAILROADS.

The lines of railroads connecting with the Union Pacific Railway and operated under its control were extended during 1882 as follows:

Utah & Northern Railroad, - - -	46 1-2 miles.
Oregon Short Line Railroad, - - -	191 "
Laramie, North Park & Pacific Railroad, -	13 1-2 "
Omaha & Republican Valley Railroad, -	27 1-2 "
Greeley, Salt Lake & Pacific Railroad, -	29 "
Manhattan & Blue Valley Railroad, -	4 1-2 "
Denver, So. Park and Pacific Railroad, -	68 "
Total, - - - - -	380 miles.

The aggregate length of connecting railroads operated in the interest of your company, Jan. 1st, 1883, amounted to 2872 miles, as follows:

Omaha and Republican Valley R. R., - -	160 miles.
Omaha, Niobrara and Black Hills R. R., -	84 "
Marysville and Blue Valley R. R., - -	38 "
Colorado Central Railroad, - - - -	327 "
Echo and Park City Railroad, - - - -	32 "
Utah and Northern Railroad, - - - -	462 "
Oregon Short Line Railroad, - - - -	255 "
Greeley, Salt Lake and Pacific R. R., -	41 "
Carbondale Branch R. R., - - - -	31 "
Junction City and Fort Kearney R. R., -	70 "
Solomon Branch R. R., - - - -	57 "
Salina and Southwestern R. R., - - -	35 "
Golden Boulder and Caribou R. R., - -	6 "
Denver and Boulder Valley R. R., - -	27 "
St. Joseph and Western R. R., - - -	251 "

Central Branch U. P. R., and leased lines, (oper- ated by the Missouri Pacific R. R.,) - - -	388 miles.
Kansas Central R. R., - - - - -	165 "
Denver, South Park and Pacific R. R., - - -	264 "
Manhattan, Almy and Burlingame R. R., - - -	28 "
Manhattan and Northwestern R. R., - - -	4 "
Salt Lake and Western R. R., - - - - -	54 "
Nevada Central R. R., - - - - -	93 "
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Total, - - - - -	2,872 Miles.

OREGON SHORT LINE RAILWAY.

The Oregon Short Line Railway at this date (March 1st) is completed to Shoshone, a distance of 321 miles from its connection with the Union Pacific Railway, and is now open for business to that point, where a branch road diverges to the Wood River Mining District. This mining district has been developed for an area of 75 miles in length by 30 miles in width, but from want of railway transportation, the most valuable ores only have been forwarded to market. Ores of lower grades varying from \$75 to \$150 per ton in value have been mined and piled awaiting the completion of the railway. Of these ores there are many thousands of tons ready for shipment, the deposit at two mines in Muldoon County amounting to 20,000 tons.

It is the opinion of skilled experts who have examined this region that it will equal any mining region hitherto developed, not only in the richness and quantity of ores extracted, but also in the permanency of the yield.

The Union Pacific Railway will receive earnings during the present year from the transportation of Wood River business on 876 miles of its main line, which will be almost wholly an addition to its former business.

The grading of the Wood River branch, fifty miles long, is completed, and the track will be laid within the next sixty days. The grading on the remaining portion of the Oregon Short Line, a length of 244 miles, is one-fourth

done. The grading would have been much further advanced but for the breaking out of small-pox among the workmen last summer, which also prevented the laying of about 80 miles of track. It is expected that the entire line, to a connection with the Oregon Railway and Navigation Co., near the mouth of Burnt River, in Oregon, will be completed by January 1st, 1884.

UTAH AND NORTHERN RAILROAD.

During last year this railroad was completed to the point where a connection will be made with the Northern Pacific Railroad. The line of the Utah and Northern Railroad traverses the most important mining and business regions of the territory, and the connection with the Northern Pacific Railroad will give access to Helena and numerous mining camps on the line of that road. This line also gives access to the Yellowstone Park, in Wyoming Territory, by a short wagon route, and it only requires that suitable hotel arrangements be made within the Park, which it is understood will be secured the coming season, to ensure a very large travel to this most attractive locality.

DENVER, SOUTH PARK AND PACIFIC R. R.

The extension of this line across the Continental divide to the valley of the Gunnison has penetrated a region rich in precious minerals, with deposits of anthracite and bituminous coal, and iron ores of extraordinarily good quality. Arrangements have been made to extend the track 16 miles, to the bituminous coal field, early in the coming season, the grading for which is completed.

OTHER LINES.

Extensions have been made on four other lines, amounting in the aggregate to 74½ miles, all of which contributed to increase their earnings, and added to the volume of business passing over the Union Pacific Railway.

Probably no feature of railroad policy has been more fully endorsed than that of extending the area of country tributary to a line of railway by the construction of branches. Adopted at an early day in railroading as a measure of aggrandizement, it has become, in the keen competition of railroads for business, indispensable to their prosperity, and it is to be observed that the public interest is more effectually served by the operation of branches to main lines of travel and traffic than by parallel routes, as the concentration of business facilitates economy in transportation, which insures lower rates to the public. The Union Pacific Railway, instead of confining the benefits of its construction to a narrow belt of country, has, by the branch lines in which it has invested its means and earnings, extended these benefits to an area embracing a width of hundreds of miles. Flourishing towns in Colorado, Utah, Idaho and Montana, remote from the main line of railroad, have been developed, that would otherwise have had no existence, and the production of precious minerals in regions equally remote has been stimulated by the facilities afforded by railroad transportation. It is not doubted that a large share of the prosperity of Colorado, Utah and Montana has resulted from the existence of the branch lines controlled by the Union Pacific Railway Company.

The income to your Company of these lines, after the expenses of maintenance and operation were deducted, amounted to \$2,211,099.35. It will be seen that the Union Pacific Railway Company obtained from the net earnings of its branch roads, during the past year, a sum in excess of three and three-fifths per cent. on the amount of its capital stock.

Arrangements have been made with all the roads that receive business from, or contribute business to the Union Pacific Railway, and also with parallel roads, on terms of mutual advantage. The further extension of some of these lines into territory now tributary to the Union Pacific Railway will doubtless lead to a readjustment of existing arrangements; but no doubt is entertained that such readjustment can be readily arrived at upon a basis inuring

to the common benefit of the lines interested, and to the public interest.

The steady increase, both in the local business of the Union Pacific Railway and in the business from the mining districts of Colorado, Utah, Idaho, and Montana, give ample assurance that concessions made to parallel lines will be much more than counterbalanced by the business derived from these sources.

FINANCIAL.

During the last year the amounts required to be paid to the United States under the Acts of 1862, 1864 and 1878, *exceeded* the interest paid by the United States on the subsidy bonds issued to the constituent companies by \$84,819.18. Adding to that amount the interest for the year collected by the United States on the Sinking Fund investments held for the benefit of the Company, and which amounted to \$31,621.19, there will result upon the year's settlement a payment by the Company towards the principal of the debt to the United States of \$116,440.37.

These settlements do not, however, take place until after the examination of the Company's annual accounts by the United States Commissioner of Railroads, usually made soon after our annual meeting. The reduction of the debt to the United States does not, therefore, appear in the present balance sheet.

The results referred to are reached by making the necessary calculations upon the Company's understanding, as advised by its counsel, of the meaning of the term "net earnings," concerning which there exists between the Government and the Company a difference of opinion; the Company maintaining that under decisions of the U. S. Supreme Court the expenditures for new construction and new equipment are proper charges against the earnings, while the United States officers contend that they are not. During the last year, under the Government view of this question, the Company would be required to pay in addi-

tion to the amount shown in its Income Account, the sum of \$95,557.50.

At a conference between the representatives of the Government and of the Company, held several months since, it was arranged that this controversy should be put in shape to go before the courts for adjudication, and it is probable that the proceedings will shortly be commenced.

There exists also a difference between the Government and the Company as to the amount of compensation to which the Company is entitled for performing the mail service; but the amount in dispute for the last year, so far as the earnings account is concerned, is small, since the allowances of the Post Office Department are gradually reaching the charge made by the Company, which charge has not been increased in the accounts for some years, although the service has largely increased in value.

The United States Supreme Court has passed upon the merits of this matter and has rendered an opinion sustaining the principle for which the Company contended, namely: that the company is entitled to "fair and reasonable rates" for the mail service, and that it is not bound to accept the rates fixed by the Postmaster General. The question as to the correctness of the rates charged by the Company is now under investigation and will probably come before the Court of Claims to which Court it was recently remanded.

OPERATIONS OF 1882.

It will be seen by the Financial Statements that the Surplus General Income, after payment of all fixed charges of Government requirements and of 7 per cent. Dividend to Stockholders, amounted to \$2,340,107 01 which is equal to $3\frac{245}{1000}$ per cent. on amount of Capital Stock.

Surplus Land and Trust Income, - - \$1,088,495 60 which is equal to $1\frac{788}{1000}$ per cent. on amount of Capital Stock.

Surplus Income used for Sinking Funds, - 442,000 00 which is equal to $\frac{126}{1000}$ per cent. on amount of Capital Stock.

Surplus Special U. S. Income Accounts, - \$116,440 37
 which is equal to $1\frac{81}{100}\%$ per cent. on amount
 of Capital Stock.

Total additions to Surplus for 1882, in excess
 of dividends of 7 per cent., - - - \$3,987,042 98
 which is equal to $6\frac{188}{100}\%$ per cent. on amount of
 Capital Stock of the Company.

CONCLUSION.

The policy of securing for the Company and its stockholders, by a judicious investment of its means and earnings as before stated, not only the tributary business resulting from branch lines, but also the annual profits of their operation and the income from lucrative investments in them, has been fully vindicated. In carrying out this policy it has been necessary at times to make considerable temporary advances or investments, but this has been done without inconvenience to the finances of the Company. So far as these have been derived or made from other sources than the cash income of the Company, a conversion of a portion of the bonds resulting from such investments, and now in the possession of the Company unincumbered, would refund the amounts and leave the Company the owner of the balance of the bonds and all of the stocks now in the treasury.

A review of the results of the business of the year may well be the subject of congratulation to the stockholders. The conservative policy by which, for years past, a large portion of the annual surplus earnings of the Company has been applied to improving the line of railway, thereby lessening operating expenses, and to the creation of tributary lines, and in promoting the local business, has partially matured its fruits during the past year. It cannot be doubted that the continuation of this policy will be attended with even more favorable results.

SIDNEY DILLON,

President.

FINANCIAL
STATEMENTS,
1882:

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December 31, 1882.

Capital Stock		\$60,868,500 00
Funded Debt.....	\$90,717,707 55	
Less amount held by the Trustees under the Kansas Pacific Consolidated Mortgage.....	8,872,200 00	81,845,507 55
UNITED STATES BONDS AND INTEREST.		
Union Pacific R. R. Co. Bonds.....	\$27,236,512 00	
Kansas Pacific Railway Co. Bonds....	6,303,000 00	\$33,539,512 00
Interest accrued thereon.	30,080,998 14	
Less amounts repaid by Company.	16,944,509 41	13,136,488 73
		46,676,000 78
UNFUNDED DEBT—		
Notes Payable... ..	\$2,748,000 00	
Accounts Payable... ..	2,557,337 73	
Coupons, Dividends, and Drawn Bonds, including those due January 1, 1883... ..	2,398,237 37	
Audited Bills, Pay Rolls, &c., for December, 1882.....	2,148,749 68	\$9,852,324 78
Less Cash on hand... ..	\$1,609,660 57	
Balances due from Station and other Agts. and Foreign Roads,	1,692,516 99	
Balances due from auxiliary Roads,..	927,648 09	
Company's Stocks and Bonds owned by the Company.....	2,011,318 85	
Fuel and Material on hand.....	2,768,437 35	9,009,581 85
		842,742 93
Interest accrued not yet due.....		789,634 99
INCOME ACCOUNTS—		
General Income.....	\$6,993,247 55	
Income used for Sinking Funds.....	1,315,000 00	
Land and Trust Income.....	2,674,221 53	
	\$10,982,469 08	
Deduct Deficit of U. S. Requirements as compared with annual U. S. Interest Feb. 1, 1880, to Dec. 31, 1882....	450,557 68	10,531,911 40
		\$201,554,297 60

INCOME ACCOUNT, 1882.

By Gross Earnings, as per statements...	\$22,823,884 24	
Less, Operating Expenses, as per statements	10,727,049 28	
Surplus Earnings.....		\$12,096,834 96
INCOME FROM INVESTMENTS.		
Dividends on Stocks....	\$1,036,507 50	
Interest on Bonds.....	1,174,591 85	
		2,211,099 35
		<u>\$14,307,934 31</u>
To Interest on Bonds.....	\$5,234,478 93	
Less, repaid to the Co. by Trustees K. P. Consolidated Mortgage.....	258,275 00	
		\$4,976,203 93
To Discount, Interest and Exchange	172,722 31	
TO COMPANY'S SINKING FUND REQUIREMENTS:		
Sinking Fund Mortgage Bonds.....	\$134,000 00	
Omaha Bridge Bonds.....	77,000 00	
Denver Extension Sinking Fund	100,000 00	
Collateral Trust Bonds....	131,000 00	
		442,000 00
To amount due the United States on the business of the year	2,097,189 90	
To premiums paid on bonds redeemed and losses on securities disposed of....	18,923 16	
		<u>\$7,707,039 30</u>
Balance applicable to Dividends....		\$6,600,895 01
To Dividends at seven per cent.		<u>4,260,788 00</u>
Amount added to surplus for the year...		\$2,340,107 01
By Balance credit, at date of last report, Dec. 31, 1881	\$4,562,157 07	
By Balance credit of Collateral Trust Income account on the same date, transferred to Income account.....	90,983 47	
		<u>\$4,653,140 54</u>
By Balance, credit, Dec. 31, 1882, as per General Balance Sheet		<u>\$6,998,247 53</u>

Comparative Statement of Earnings and Expenses.

EARNINGS.	YEAR 1881.	YEAR 1882.
Passengers—Cash.....	\$4,922,711 28	\$5,054,343 73
“ Government.....	208,860 11	143,386 28
Freight—Cash.....	15,075,515 28	13,543,841 56
“ Government.....	484,013 14	361,648 07
“ Company.....	1,503,598 78	1,496,677 74
Mail.....	721,312 34	746,515 61
Express.....	696,184 12	748,932 30
Miscellaneous.....	646,622 05	728,538 95
Total Earnings.....	\$24,258,817 10	\$22,823,884 24
Expense ratio, per cent.,	51.45.	47.00.
EXPENSES.	YEAR 1881.	YEAR 1882.
Conducting Transportation.....	\$2,482,587 56	\$2,392,498 72
Motive Power.....	4,073,043 19	3,775,888 47
Maintenance of Cars.....	1,112,862 52	957,943 44
Maintenance of Way.....	2,179,071 36	2,082,492 48
Renewal of Rails.....	1,700,425 96	556,142 66
General Expenses.....	538,340 63	474,296 97
Taxes.....	394,011 49	487,786 54
Total Expenses.....	\$12,480,342 71	\$10,727,049 28
Surplus Earnings.....	\$11,778,474 39	\$12,096,834 96

Statement of the Funded Debt, December 31, 1882.

	ISSUED AND UNPAID.	Held by Trustees Kansas Pacific Consolidated Mortgage.	AFLOAT.
UNION PACIFIC RAIL- ROAD Co.—			
First Mortgage Bonds...	\$27,229,000 00		\$27,229,000 00
Land Grant Bonds.....	4,670,000 00		4,670,000 00
Sinking Fund Coupon Bonds.....	12,613,000 00		12,613,000 00
Sinking Fund Registered Bonds.....	1,248,000 00		1,248,000 00
Omaha Bridge Bonds....	1,888,000 00		1,888,000 00
Collateral Trust Bonds..	4,918,000 00		4,918,000 00
KANSAS PACIFIC RAIL- WAY Co.—			
Eastern Division Bonds..	2,240,000 00		2,240,000 00
Middle Division Bonds..	4,063,000 00		4,063,000 00
Denver Extension Bonds.	6,323,000 00		6,323,000 00
Leavenworth Branch Bonds.....	600,000 00	\$533,000 00	67,000 00
Consolidated Mortgage Bonds.....	15,640,005 00		15,640,005 00
First Land Grant Bonds.	1,430,250 00	1,430,250 00	
Second Land Grant Bonds	1,500,000 00	1,499,000 00	1,000 00
Income Bonds.....	263,700 00	187,650 00	76,050 00
Income Bonds Subordi- nated.....	4,011,650 00	3,205,300 00	806,350 00
Eastern Division Coupon Certificates.....	405 00		405 00
Denver Extension Cou- pon Certificates.....	4,567 50		4,567 50
Leavenworth Branch Coupon Certificates...	9,870 00		9,870 00
First Land Grant Coupon Certificates.....	1,260 05		1,260 05
Cheyenne Branch Bonds.	2,064,000 00	2,017,000 00	47,000 00
	\$90,717,707 55	\$8,872,200 00	\$81,845,507 55

*Statements of Stocks and Bonds of other Companies
owned by the Company December 31, 1882.*

	Stocks.	Bonds.
Omaha, Niobrara and Black Hills.....	\$977,000 00	\$977,000 00
Omaha and Republican Valley.....	926,900 00	1,851,000 00
Marysville and Blue Valley.....	64,000 00	128,000 00
Echo and Park City.....	480,000 00	480,000 00
Utah and Northern.....	4,816,400 00	4,968,000 00
Colorado Central.....	6,229,000 00	4,697,000 00
Colorado Central, of Wyoming.....	130,000 00	
Lawrence and Emporia.....	465,000 00	
Salina and Southwestern.....	231,700 00	
St. Joseph Bridge Building Co.....	500,000 00	784 000 00
Central Branch Union Pacific.....	858,700 00	
Atchison, Colorado and Pacific.....	150,000 00	508,000 00
Kansas Central.....	1,818,400 00	1,162,000 00
Utah and Nevada.....	438,500 00	
Manhattan, Alma and Burlingame.....	400,000 00	339,000 00
Nevada Central.....	959,500 00	250,000 00
Denver, South Park and Pacific.....	5,192,500 00	1,489,000 00
Wasatch and Jordan Valley.....		10,000 00
Manhattan and Blue Valley.....	44,341 98	
St. Joseph and Western.....	1,536,200 00	
St. Joseph and Pacific, First Mortgage		1,303,369 00
Kansas and Nebraska " " " "		1,114,661 40
" " " " Second " "		24,700 00
St. Joseph and Denver City Receiver's		
Certificates.....		118,000 00
Hastings and Grand Island.....		375,000 00
Utah Central.....	1,886,900 00	
Utah Southern Extension.....		982,000 00
St. Louis, Council Bluffs and Omaha...		19,500 00
Denver, Western and Pacific.....	762,500 00	694,000 00
Loveland Pass Mining and Railroad		
Tunnel.....	4,400 00	400,000 00
Salt Lake and Western.....	1,080,000 00	1,080,000 00
Gray's Peak, Snake River and Leadville	6,000 00	
Colorado Western.....	9,100 00	
	<u>\$29,462,041 98</u>	<u>\$23,749,230 40</u>

*Statement of Securities held by the Trustees under the Kansas Pacific
Railway Co.'s Consolidated Mortgage.*

	Stocks.	Bonds.
Junction City and Fort Kearney.....	\$720,000 00	\$970,000 00
Golden, Boulder and Caribou.....	60,000 00	60,000 00
Solomon.....	1,000,500 00	575,000 00
Denver and Boulder Valley.....		546,000 00
Lawrence and Emporia.....		465,000 00
Salina and Southwestern.....		540,000 00
National Land Co.....	94,800 00	
	<u>\$1,875,300 00</u>	<u>\$3,156,000 00</u>

*Comparative Statement of the Income Accounts for
the Years 1881 and 1882.*

	*1881.	1882.	Increase.
Earnings.....	\$24,258,817 10	\$22,823,884 24	†\$1,434,932 86
Operating Expenses.....	12,480,342 71	10,727,049 28	† 1,753,293 43
Surplus Earnings.	\$11,778,474 39	\$12,096,834 96	\$318,360 57
Income from Investments	1,778,333 31	2,211,099 35	432,766 04
Surplus Earnings and In- come from Investments	\$13,556,807 70	\$14,307,934 31	\$751,126 61
Interest on Bonds.....	\$5,124,034 39	\$4,976,203 93	†\$147,830 46
Sinking Fund Require- ments.....	439,000 00	442,000 00	3,000 00
United States Require- ments.....	1,653,858 81	2,097,189 90	443,831 09
Discount, Interest and Exchange.....	95,542 95	172,722 31	77,179 36
Premiums on Bonds and Losses on Investments.	7,553 08	18,923 16	11,370 08
Total	\$7,319,489 23	\$7,707,039 80	\$387,550 07
Balance applicable to Di- vidends.....	\$6,287,318 47	\$6,600,895 01	\$363,576 54
Dividends at 7 per cent..	4,076,134 13	4,260,788 00	184,653 87
Surplus over Dividends for the year of the Gen- eral Income Account...	\$2,161,184 34	\$2,340,107 01	\$178,922 67
Surplus for the year of the Land and Trust In- come Account.....	707,598 07	1,088,495 60	380,897 53
Surplus for the year of Income used for Sink- ing Funds.....	439,000 00	442,000 00	3,000 00
	\$3,307,782 41	\$3,870,602 61	\$562,820 20
Deficit for the year of U. S. Requirements and U. S. Sinking Fund Operations as compared with annual U. S. In- terest.....	449,693 52		
Surplus for the year of U. S. Requirements and U. S. Sinking Fund Op- erations as compared with annual U. S. In- terest.....		116,440 37	566,133 89
Total amount added to Surplus for the year...	\$2,858,088 89	\$3,987,042 98	\$1,128,954 09

* Includes the items entered in 1881 in the Collateral Trust Income Account. † Decrease.

Land and Trust Income, 1882.

By net proceeds Union Division Land Grant, as per statement.....	\$910,683 89
By net proceeds Kansas Division Land Grant, as per statement.....	321,890 86
By net proceeds other lands and lots.....	10,439 85
By income from Leased Lands.....	5,000 00
By income from Trust Investments: Bonds, \$74,345	
Stock, 24,411	98,756 00
	<hr/>
	\$1,346,770 60
Less amount paid by Trustees on account of Interest on Consolidated Bonds.....	258,275 00
	<hr/>
Leaving net surplus for 1882.....	\$1,088,495 60
Balance, credit, as per Report for December 31, 1881....	1,585,725 93
	<hr/>
Balance, credit, December 31, 1882, as per General Balance Sheet.....	\$2,674,221 53

*Fund Relating to the Union Pacific Railroad
Co. Land Grant Bonds.*

Amount of Bonds issued.....	\$10,400,000 00
Cancelled to December 31, 1881.....	\$5,016,000 00
" in 1882.....	714,000 00
	<hr/>
Total cancelled to December 31, 1882.....	5,730,000 00
	<hr/>
Amount of Bonds outstanding, December 31, 1882.....	\$4,670,000 00
Land and Town Lot Contracts of the Union Division, outstanding December 31, 1882.....	\$3,838,246 52
Cash Balances, Trustee, December 31, 1882.....	779,154 51
	<hr/>
Total amount applicable to payment of Bonds.....	4,617,401 03
	<hr/>
Amount of Bonds remaining to be provided for Dec. 31, 1882.....	\$52,598 97

Statement of the Union Pacific R. R. Land Grant for 1882.

Sales, 1882.	Acres.	Average Price Per Acre for the Year.	Amount.
January.....	10,089.80		\$45,476 88
February.....	18,341.90		87,572 92
March.....	16,708.88		82,487 44
April.....	12,469.11		64,592 73
May.....	27,862.08		132,315 36
June.....	29,564.12		125,497 60
July.....	24,018.20		98,220 19
August.....	35,743.33		138,814 65
September.....	32,035.17		125,668 34
October.....	31,451.22		132,185 68
November.....	28,807.34		114,279 79
December.....	25,072.91		108,252 44
Totals for 1882.....	292,159.06	\$4.28	\$1,250,364 02
2,406 Purchasers, averaging 121.43 acres to each.			
Less cancelled in 1882.....	96,910.74		451,527 65
Net Sales.....	195,248.32		\$798,836 37
Sales of Town Lots.....			43,971 50
Interest on Land and Town Lot Contracts.....			218,526 63
Payments forfeited on Cancelled Contracts.....			56,329 84
Receipts from other sources, Interest, etc.....			38,036 47
Total proceeds			\$1,155,694 81
<i>Deduct Expenses:—</i>			
General Expenses and Taxes, lands and lots	\$105,416 99		
Discounts, Commissions, etc.....	51,459 23		
Premium, Interest, etc., on 714 Union Division Land Grant Bonds redeemed....	88,134 70		245,010 92
Net proceeds Union Division Land Grant.....			\$910,683 89

*Statement of the Kansas Pacific Railway Land Grants
for 1882.*

Sales, 1882.	Acres.	Average price per acre for the year.	Amount.
January	8,463.57		\$44,838 38
February	9,703.24		58,094 35
March	9,720.82		49,946 89
April	7,736.24		38,304 19
May	9,492.88		43,217 87
June	9,117.29		43,781 49
July	6,968.16		36,153 84
August	12,721.52		62,478 47
September	4,993.91		26,442 05
October	12,417.73		50,447 45
November	9,324.80		51,266 72
December	5,254.97		21,960 40
Totals for 1882	105,915.13	\$4 93	\$521,932 10
656 Purchasers, averaging 161.4% acres to each.			
Less, cancelled in 1882	42,267.58		156,300 92
Net Sales	63,647.55		\$365,631 18
Sales of Town Lots			4,048 50
Interest on Land and Town Lot Contracts			77,588 37
Payments forfeited on Cancelled Contracts			20,408 32
Receipts from other sources, Interest, &c.			2,247 14
Total proceeds			\$469,923 51
<i>Deduct Expenses :—</i>			
General Expenses and Taxes, lands and lots....		\$69,403 58	
Discounts, Commissions, &c.		68,129 81	
Premium, Interest, &c., on 20 Cheyenne Branch Bonds and 43 Denver Extension Bonds re- deemed		10,499 26	
			148,032 65
Net proceeds Kansas Division Land Grant			\$321,890 86

*Statement of Sales of Lands and Town Lots to
December 31, 1882.*

UNION PACIFIC R.R. LAND GRANT.

Net Sales, 1,969,576.48 acres for	\$8,734,579	21
Sales of Town Lots	385,915	68
Interest on Land and Town Lot Contracts	1,302,322	11
Forfeited on Cancelled Contracts	288,267	00
Other Receipts, Interest, &c.	72,920	90
	<u>\$10,784,004</u>	<u>90</u>

Deduct Expenses paid by Trustees :

Discounts, Commissions, &c.	\$284,127	15
Premiums on Land Grant Bonds Re-		
deemed.	120,348	89
	<u>404,476</u>	<u>04</u>

Leaves the amount received by the Trustees, including contracts on hand.....\$10,379,528 86

Deduct Expenses paid by Company :

General Expenses and Taxes..... 2,071,874 24

Net proceeds Union Pacific R.R. Land Grant to December 31, 1882..... \$8,307,654 62

KANSAS PACIFIC AND DENVER PACIFIC R'Y LAND GRANTS.

Net Sales, 1,668,022.35 acres	\$6,136,134	51
Sales of Town Lots	87,540	59
Interest on Land and Town Lot Contracts	708,981	68
Forfeited on Cancelled Contracts	233,112	41
Other Receipts, Interest, &c.	10,326	71
	<u>\$7,176,095</u>	<u>90</u>

Deduct Expenses :

General Expenses	\$799,291	47
Discount on Sales	587,087	23
Taxes	107,366	03
Interest and Premiums on Bonds Re-		
deemed.	121,818	45
	<u>1,615,563</u>	<u>18</u>

Net proceeds of Kansas Pacific and Denver Pacific Land Grants, including contracts on hand..... \$5,560,532 72

Total Net Proceeds of all Lands, to Dec.
31, 1882..... \$13,868,187 34

Estimate of Unsold Lands on hand Dec. 31, 1882.

UNION PACIFIC R. R. LAND GRANT :

	ACRES.	ACRES.
In Nebraska, east of North Platte.....	1,047,000	
" " west "	1,775,000	
" Wyoming, Utah and Colorado.....	6,307,000	
	<hr/>	9,129,000

KANSAS PACIFIC RAILWAY LAND GRANT :

In Kansas, east of 380 Mile Post	1,701,000	
In Kansas, west of 380 Mile Post, and in Colorado	3,635,000	
	<hr/>	5,336,000
Total.....		14,465,000

*Expenditures for Construction during year 1882.***UNION DIVISION—****SHOPS.**

Grand Island.....	\$36,965 14	
North Platte.....	33,539 29	
Evanston.....	3,888 25	
Omaha, (Car Shops).....	36,802 14	
Evanston, ".....	224 52	
Green River, ".....	343 72	
	<hr/>	\$111,763 06

TOOLS AND MACHINERY.

Grand Island	\$25,860 46	
Omaha.....	23,076 62	
Laramie.....	2,815 86	
Rawlins.....	2,752 80	
Green River.....	887 00	
Evanston.....	6,519 37	
North Platte.....	3,356 88	
Cheyenne.....	278 00	
	<hr/>	65,546 99

WATER WORKS.

Fremont.....	\$1,253 79	
Carbon.....	2,165 43	
Rawlins.....	404 85	
Fillmore.....	634 05	
Table Rock.....	1,323 40	
Salt Wells.....	481 78	
Harpers.....	235 06	
	<hr/>	6,448 36
Round House at Columbus.....		329 60

BUILDINGS.

Ice House at Council Bluffs.....	\$1,485 79	
" " Omaha.....	207 00	
" " Ogden.....	114 91	
Charcoal House at Omaha.....	346 02	
Tenement at Rock Springs.....	644 58	
Store Room at Evanston.....	445 45	
Paint Mill at Omaha.....	475 24	
Paint Mill Machinery at Omaha.....	620 02	
	<hr/>	
Carried forward.....	\$4,339 01	\$184,088 01

Brought forward.....	\$4,839 01	\$184,088 01
Coal Shutes at Columbus.....	1,976 05	
“ “ Medicine Bow.....	4,944 54	
Coal Platform at Grand Island.....	146 90	
	<hr/>	
	\$11,406 50	
Deduct 2 old houses sold at Omaha.....	500 00	10,906 50
Real Estate at Omaha.....		30,625 00
		<hr/>
Total, <i>Union Division</i>		\$225,619 51

KANSAS DIVISION—

Buildings and Yards at Denver.....	\$65,159 66
Lots in Denver.....	514 20
Tools and Machinery at Denver.....	1,842 89
Improvements at Bismarck Grove.....	2,710 20
Ice House at Armstrong.....	4,040 48
Tools and Machinery at Armstrong.....	15,863 84
New Lumber Shed at Armstrong.....	1,403 46
Water Works at Armstrong.....	2,130 78
Fences, State Line and Armstrong.....	2,249 42
Lots in Linwood.....	100 00
Right of Way at Lawrence.....	373 70
	<hr/>
	\$95,893 63

CREDIT.

By Fences, Old Buildings, etc., on lots at Denver, sold.....	628 00	
	<hr/>	
Total, <i>Kansas Division</i>		95,265 63

CHEYENNE DIVISION—

Eaton Depot.....	3,561 12
	<hr/>
Total for 1882.....	\$324,446 26
Expended to December, 31, 1881, as per last Annual Report.....	1,159,872 81
	<hr/>
Amount Expended to December 31, 1882, as per General Balance Sheet.....	\$1,484,318 57
	<hr/>

*Expenditures for Equipment during year 1882.***LOCOMOTIVES.**

6 Taunton Locomotives, @ \$13,750.....	\$82,500 00	
5 Locomotives, from Cook Locomotive & Machine Co., @ \$15,000.....	75,000 00	
1 Locomotive, built at Omaha shops.....	7,171 90	
Freight and fitting Locomotives.....	7,601 49	
1 8-Wheel Locomotive, built at Armstrong	10,392 57	
		\$182,665 96

CREDIT.

1 10-Wheel Locomotive sold Salt Lake & Western Ry. Co.....	13,750 00	
1 10-Wheel Locomotive sold Utah Central R. R. Co.....	13,750 00	
8 8-Wheel Locomotives sold Oregon Short Line Ry. Co.....	76,000 00	
6 10-Wheel Locomotives sold Oregon Short Line Ry. Co.....	82,500 00	186,000 00
Balance, Credit.....		\$3,334 04

CARS.

12 Coaches from Pullman Palace Car Co..	\$75,082 08	
Less paid on same in 1881.....	50,000 00	
Balance.....	\$25,082 08	
25 Refrigerator Cars.....	26,250 00	
Royalty on 25 Refrigerator Cars.....	625 00	
Cars built by U. P. Ry. Co.'s Car Department as follows:		
100 20-ton Platform Cars.....	61,735 23	
2 20-ton Box Cars.....	1,431 60	
25 Way Cars.....	37,620 75	
5 Mail Cars.....	29,433 30	
1 Baggage Car.....	3,685 45	
6 New Coaches, built by Company.....	27,001 86	
1 Coal Car, " ".....	519 59	
1 Flat " ".....	504 64	
2 Box, " ".....	1,258 40	
1 Pile Driver, " ".....	5,080 35	

CREDIT.

80 Flat Cars, @ \$443.....	\$13,290 00	
1 Portable Tank, sold Salt Lake and Western Ry. Co.	800 00	
1 U. P. Box Car, No. 5432, destroyed at Ritchie, Sept. 23, 1882.....	385 49	
Car Springs.....	1,100 00	
		15,575 49

Expended for Cars..... **204,702 76**

Balance for 1882..... **\$201,368 72**

Expended to December 31, 1881, as per last Annual Report..... **1,748,824 26**

Amount Expended to December 31, 1882, as per General Balance Sheet. **\$1,950,192 98**

Statement of Car Equipment, December 31, 1882.

	No.
Coaches, First-class.....	63
“ Second-class.....	21
“ Combination.....	8
“ Chair.....	3
“ Emigrant.....	18
Pullman Sleepers.....	39
Emigrant Sleepers.....	53
Mail.....	13
Mail and Baggage.....	8
Mail, Baggage and Express.....	4
Express.....	20
Baggage.....	34
Officers' Cars.....	7
Pay Cars.....	8
Total Passenger.....	294
Box.....	3,871
Coal.....	1,097
Coal Hoppers.....	18
“ Dumps.....	56
Flat.....	748
Stock.....	739
Stock, Combination.....	170
Way and Caboose.....	197
Outfit, Construction.....	13
Refrigerator.....	25
Water Tank Cars.....	6
Total Freight.....	6,940
Grand Total.....	7,234

*Statement of Locomotive Equipment, Dec. 31, 1882.***BROAD GAUGE—**

	NUMBER.
10-Wheel.....	109
8-Wheel.....	199
6-Wheel.....	1
Pony.....	6
“ Mogul.....	6
Consolidated.....	23
Total.....	344

LARAMIE ROLLING MILL.
Statement of Iron Rails Re-rolled, and Bar-Iron, Nuts, Bolts, Spikes, Splices and Mine-Rails
made during the year ending December 31st, 1882.

MONTH.	IRON RAILS RE-ROLLED.				BAR IRON	NUTS.	BOLTS.	SPIKES.	SPLICES.	MINE RAILS.	
	58 lbs.		50 lbs.								Total.
	Tons.	Lbs.	Tons.	Lbs.							
January.....	1,080	800	1,080	800	155,935		57,690	188,060	825,575		
February.....	932	620	932	620	272,920		57,850	112,220	51,120		
March.....	1,115	2,167	1,115	2,167	292,795		57,505	101,615	118,715		
April.....	954	1,036	954	1,036	328,335		24,145	85,380			
May.....	1,040	1,381	1,040	1,381	40,390		42,680	93,145	232,955		
June.....	987	1,859	987	1,859	695		62,920	70,695	286,150		
July.....	318	1,119	219	1,473	538 352		31,100	101,640	249,730		
August.....	397	1,213	639	1,007	1,036 2,220	8,800	33,196	177,405	315,095		
September.....	789	1,911	814	7	1,103 1,918	1,380	41,545	171,720	521,855		
October.....	808	415			808 415		9,195	137,650	257,000		
November.....	1,027	236			1,027 236		7,885	141,255	2,385	14,510	
December.....	1,083	1,883			1,033 1,888	2,765	66,395	138,875	46,560	261,925	
Total.	7,407	2,093	4,801	1,594	11,709 1,447	7,945	491,956	1,469,610	2,402,740	270,485	

Production and Cost of Coal during the Year 1882.

MINES.	TONS.	PER TON.	COST.
Carbon	200,124	\$1 41	\$202,061 28
Rock Springs.....	276,589	1 39	384,387 54
Almy	116,548	1 37	159,049 30
Grass Creeks.....	63,805	1 88½	120,479 41
Twin Creeks.....	4,680	2 01	9,430 27
Erie (May 1 to Dec. 31.).....	14,953	2 84½	85,710 54
Northrop (June 1, to Dec. 31).....	5,082	2 75½	14,043 67
Louisville (May 1, to Dec. 31).....	44,735	1 89½	84,595 67
Rescreener at Rock Springs.....	10,423	22	2,399 34
“ “ Almy.....	663	55½	367 06
Total for 1882.....	738,210	1 49½	\$1,103,324 08
Total for seven years, 1875 to 1881, inclusive.....	2,397,042	1 29	8,091,942 26
	3,135,252	\$1 33¼	\$4,195,260 34

*Private Coal Sales during the year ending
December 31, 1882.*

	TOTAL.		TOTAL AMOUNT RECEIVED.
	TONS.	LBS.	
Omaha	31,437	818	\$215,216 32
Papillion	610	1500	4,275 25
Millard	145	400	1,016 40
Elkhorn	139	1000	976 50
Waterloo	326	1400	2,286 90
Valley	109	800	765 80
Stations on O. & R. V. R.	13,740	1000	101,762 54
Fremont	5,507	200	37,811 45
North Bend	935	1400	6,378 80
Schuyler	2,969	1200	19,495 00
Benton	95		665 00
Columbus	2,925	300	20,265 90
Duncan	26	1400	172 70
Stations on O. N. & B. H. R.	6,449	1500	47,768 75
Silver Creek	235	1200	1,595 45
Clarks	622	1300	4,358 55
Central City	2,747	100	19,204 05
Chapmans	626	600	4,386 90
Grand Island	4,905	200	34,278 80
Stations on St. Joe. & W.	9,102	1600	63,867 85
Alda	145	800	1,017 80
Wood River	690	100	4,786 95
Shelton	746	300	5,194 45
Gibbon	910	800	6,344 40
Buda	114	1600	803 60
Kearney	5,431	1500	37,430 10
Elm Creek	267	1700	1,687 82
Overton	35	400	228 85
Plum Creek	889	200	5,785 20
Cozad	173	200	1,084 05
Willow Island	14		91 00
Maxwell	68	600	448 95
North Platte	2,815	200	18,153 00
Ogalalla	76	1200	497 90
Denver Junction	25		200 00
Sidney	655	900	4,260 43
Cheyenne	7,474	1800	41,005 34
Stations on Colorado Div.	2,391	1400	3,835 25
Laramie	4,337		23,486 67
Wyoming	52	1200	289 30
Rock Creek	154	1200	850 30
Fort Steele	77	1000	426 25
Carried forward	111,204	1018	\$743,846 52

Statement of Coal Sales—(Continued).

	TOTAL.		TOTAL AMOUNT RECEIVED.
	TONS.	Lbs.	
Brought forward.....	111,204	1018	\$748,846 52
Rawlins.....	1,480	1200	7,240 60
Rock Spring.....	14,097		32,482 48
Green River.....	489	1000	1,958 00
Carter.....	61	1500	299 27
Piedmont.....	17	1800	70 60
Hilliard.....	41	800	207 00
Evanston.....	3,662	1000	9,135 76
Echo.....	85	1200	130 80
Stations on Echo & Park City R'y.....	10,780	1250	49,212 48
Weber.....	567	1600	2,461 81
Uintah.....	136	1700	616 04
Ogden.....	12,872	309	64,284 68
Stations on U. & N.....	8,198	300	16,550 50
Salt Lake.....	52,188	450	278,250 20
	215,829	618	\$1,206,846 17
Coal taken from the following mines:			
Pleasant Valley.....	74	1800	
Carbon.....	1,472	800	
Rock Springs.....	146,604	1968	
Almy.....	27,532	1100	
Grass Creek.....	40,144	1450	
Total.....	215,829	618	
Sales from the following mines:			
	TONS	Lbs.	
Erie.....	14,322	1600	
Louisville.....	8,738	1400	
Total.....	23,061	760	\$54,308 97

CLASSIFICATION OF MONTHLY EARNINGS FOR YEAR 1892.

MONTH.	PASSENGER.	FREIGHT.	MAIL.	EXPRESS.	MISCELLANEOUS	TOTAL.
January	\$297,572 24	\$1,216,353 98	\$59,986 73	\$47,705 63	\$27,351 56	\$1,648,970 14
February	306,958 12	939,930 01	59,986 73	30,320 32	30,428 53	1,367,623 71
March	477,720 28	1,180,059 02	59,986 73	41,215 86	36,011 72	1,794,998 61
April	484,795 75	1,142,506 49	59,986 73	49,052 22	38,957 00	1,775,298 19
May	348,198 54	1,366,333 51	59,986 73	54,467 06	42,053 54	1,871,039 88
June	534,171 08	1,193,698 15	59,986 73	64,762 51	78,951 53	1,931,565 00
July	507,376 31	1,020,268 91	59,986 73	73,741 57	37,794 37	1,699,167 89
August	440,442 26	1,430,937 76	64,151 61	79,883 90	66,068 94	2,081,484 47
September	553,095 51	1,672,570 12	78,002 46	84,495 59	65,017 20	2,453,180 88
October	491,418 23	1,630,407 11	61,484 81	78,077 17	47,518 27	2,308,905 59

CLASSIFICATION OF OPERATING EXPENSES FOR YEAR 1882.

MONTH.	CONDUCTING TRANSPORTATION.	MOTIVE POWER	MAINTENANCE OF CARS.	MAINTENANCE OF WAY.	RENEWAL OF RAILS.	GENERAL EXPENSES.	TAXES.	TOTAL.
January..	\$200,376 52	\$362,769 37	\$77,606 07	\$154,048 07	\$153,963 26	\$46,301 66	\$19,794 09	\$1,014,849 04
February.	184,377 84	301,339 31	66,400 98	110,134 12	222,001 19	54,075 78	178 02	938,507 24
March...	192,829 29	323,132 35	69,293 61	123,597 93	244,411 10	42,711 28	9,992 04	1,005,967 60
April.....	183,168 37	311,828 51	69,803 03	170,900 78	1,016 17	40,519 93	187,037 61	964,274 40
May.	203,351 37	324,364 53	107,654 63	157,659 28	* 22,500 25	37,181 47	942 56	808,593 59
June.....	180,273 04	277,324 30	92,678 17	163,836 84	14,824 12	37,936 98	1,391 95	768,264 80
July.....	197,229 32	262,478 24	75,377 86	198,110 09	* 4,595 00	37,380 64	3,521 39	769,508 54
August..	195,500 31	290,172 43	38,350 02	196,955 04	* 61,239 05	33,079 78	5,160 88	747,979 40
Septemb'r	213,861 31	307,037 12	70,439 12	203,186 51	* 8,014 93	35,046 41	1,551 12	833,106 66
October..	207,183 92	349,862 37	78,870 38	213,129 78	* 1,869 76	38,672 96	89,705 92	975,555 57
Novemb'r	217,718 42	334,850 06	79,786 65	260,228 24	82,721 56	33,870 84	110,923 14	1,120,098 91
December	216,929 01	330,739 89	81,682 92	130,705 80	* 64,515 75	37,513 84	57,587 82	790,343 53
Total...	\$2,392,498 72	\$3,775,888 47	\$957,943 44	\$2,082,492 48	\$556,142 66	\$474,296 97	\$487,786 54	\$10,727,449 28

* Credit in excess of amount expended.

*Comparative Statement of Operating Expenses for
Years 1881, 1882.*

	1881.	1882.
CONDUCTING TRANSPORTATION—		
Superintendence, Dispatchers and Clerks	\$74,338 24	\$76,700 17
Station Service.....	735,175 15	761,057 08
Station Expenses.....	91,590 16	98,771 70
Station Repairs and Furniture.....	120,290 91	72,831 69
Repairs of Tenement Houses and Hotels.	46,170 92	10,099 51
Train Service.....	605,527 93	581,900 58
Train Expenses.....	249,688 99	242,424 00
Advertising.....	99,353 83	92,902 81
Books, Printing and Stationery.....	104,405 21	85,490 27
Telegraphic Expenses.....	9,899 68	6,160 88
Loss and Damage.....	115,619 27	123,295 15
Foreign Agencies.....	26,543 82	20,510 03
Use of Cars.....	181,246 50	176,809 19
Incidentals.....	23,736 95	43,995 71
Total.....	\$2,452,587 56	\$2,392,498 72
MOTIVE POWER—		
Superintendence and Clerks.....	\$23,294 14	\$17,531 49
Locomotive Service.....	829,845 36	796,084 67
Fuel and Water—Expenses and Repairs.	291,722 13	237,559 16
Fuel for Locomotives.....	1,753,909 93	1,623,141 71
Oil, Tallow and Waste.....	43,860 08	46,239 45
Repairs of Locomotives.....	883,462 40	798,539 97
Repairs of Shops and Machinery.....	193,805 87	197,591 42
Fuel for Engine Houses and Mach. Shops	49,264 48	52,021 80
Incidentals.....	3,878 80	7,178 80
Total.....	\$4,073,043 19	\$3,775,888 47
MAINTENANCE OF CARS—		
Superintendence and Clerks.....	\$9,230 00	\$3,915 87
Repairing Cars.....	1,035,332 75	869,215 81
Repairs Car Shops and Sheds.....	49,354 39	47,268 99
Watchmen and Incidentals.....	18,945 38	32,542 77
Total.....	\$1,112,862 52	\$957,943 44
MAINTENANCE OF WAY—		
Superintendence and Supervision.....	\$39,739 40	\$42,344 08
Repairs of Track.....	1,211,022 40	994,205 32
Expenses of Removing Snow, Ice, etc...	102,406 51	28,399 95
Renewal of Rails.....	1,700,425 96	556,142 66
Renewal of Ties.....	450,932 57	490,352 05
Repairs of Bridges, etc.....	260,297 22	401,484 26
Repairs of Fences, Crossings and Guards	28,186 42	51,395 67
Repairs of Telegraph.....	24,291 97	20,585 18
Engineering.....	34,510 05	37,666 75
Protection of River Banks.....	17,225 44	2,495 60
Wrecking.....	4,303 94	1,343 09
Incidentals.....	6,155 44	12,270 58
Total.....	\$3,870,497 32	\$2,638,635 14
GENERAL EXPENSES.		
Taxes.....	\$394,011 49	\$487,786 54
General Expenses.....	538,340 63	474,296 97
Total.....	\$932,352 12	\$962,083 51
Grand Total.....	\$12,480,342 71	\$10,727,049 28

Statement Showing Renewals of Track During Year 1882.

	Steel Rails.		Iron.		CROSS TIES.			
	No. Tons.		No. Tons.		Oak.	Cedar.	Pine.	Total.
Council Bluffs to Grand Island.....	303				30,443	12,084	10	42,537
Grand Island to North Platte.....	3,161				87,887	2,324	10	90,231
North Platte to Antelope.....	2,757					23,500	23,810	46,310
Antelope to Laramie.....						26,383	24,265	50,598
Laramie to Rawlins.....	3,402						48,104	48,104
Rawlins to Green River.....	39						30,169	30,169
Green River to Ogden.....	1,055		675		40,950		67,771	67,771
Kansas City to Brookville.....	3,408				98,080			40,950
Brookville to Wallace.....	2,758		493		128,453			98,680
Wallace to Denver.....	1		709		44,431			128,453
Denver to Cheyenne.....			153		7,137			44,431
Leavenworth to South Lawrence...								7,137
Total.....	16,884		2,029		437,981	64,241	202,139	704,361

NOTE.—Steel weighs 60 lbs. per yard.

Comparative Statement of Passenger Earnings for years 1881 and 1882.

MONTH.	1881.	1882.	INCREASE.	DECREASE.
January.....	\$308,260 27	\$397,572 24		\$10,688 03
February.....	247,812 30	306,958 12	\$59,645 82	
March.....	357,894 74	477,720 28	119,835 54	
April.....	439,211 88	484,795 75	55,683 92	
May.....	539,849 79	348,198 54		191,651 25
June.....	502,901 70	534,171 08	31,269 38	
July.....	479,088 70	507,376 31	28,387 61	
August.....	453,973 20	440,442 26		13,530 94
September.....	624,416 36	553,095 51		71,320 85
October.....	358,584 69	491,418 23	132,833 54	
November.....	535,275 54	404,296 22		130,979 32
December.....	294,822 27	351,685 47	56,863 20	
Total.....	\$5,181,571 39	\$5,197,730 01	\$66,158 62	

Commercial business increased..... \$181,632 45
Government " decreased 65,473 83

Total business increased..... \$66,158 62

Statement of Through and Way Passenger Earnings for the Year 1882.

MONTH.	TOTAL EARNINGS.	THROUGH EARNINGS.		WAY EARNINGS.	
		EAST.	WEST.	EAST.	WEST.
January	\$297,572 24	\$61,714 54	\$95,360 96	\$60,812 96	\$80,183 78
February	306,958 13	58,967 52	106,845 04	52,024 07	89,121 49
March	477,760 23	80,011 50	178,307 59	74,200 11	145,241 08
April	484,795 75	110,573 43	169,872 27	69,818 15	135,031 90
May	348,198 54	62,913 09	102,408 76	77,967 54	104,909 15
June	534,171 08	146,306 58	177,882 99	91,619 14	118,412 43
July	507,876 31	107,793 65	192,985 54	93,410 49	113,786 63
August	440,442 26	123,970 41	105,829 82	109,048 72	102,593 81
September	553,095 51	143,409 55	135,134 93	140,821 85	133,729 68
October	491,418 23	130,334 04	137,965 11	120,094 04	103,025 04
November	404,296 23	84,837 01	127,423 78	93,488 01	98,547 42
December	351,685 47	88,687 03	108,550 95	81,705 39	72,742 10
TOTAL.....	\$5,197,769 96	\$1,198,518 30	\$1,638,517 74	\$1,064,009 97	\$1,296,723 95
" 1881.....	5,131,571 89	1,237,990 19	1,965,799 24	892,326 96	1,085,455 00
INCREASE.....	\$66,198 57				
DECREASE.....		\$89,471 89	\$327,281 50	\$171,683 01	\$261,268 95

Comparative Statement of Passenger Earnings for years 1881 and 1882.

MONTH.	1881.	1882.	INCREASE.	DECREASE.
January.....	\$368,300 27	\$397,572 24	\$29,645 83	\$10,088 03
February.....	247,912 30	306,958 12	119,853 54	
March.....	357,804 74	477,720 24	55,583 92	
April.....	429,211 83	484,795 75	31,209 89	
May.....	620,849 79	348,108 54	28,337 61	
June.....	502,301 70	534,171 08		
July.....	479,038 70	507,376 31		
August.....	453,973 20	440,442 26		
September.....	624,416 36	553,095 51		
October.....	358,084 09	491,418 23	132,833 54	
November.....	535,275 54	404,290 22		
December.....	294,822 27	351,685 47	56,863 20	
	\$5,131,571 39	\$5,197,720 01	\$66,158 62	

Business increased..... \$131,032 45

Thorough and Way Passenger Earnings for the Year 1882.

	EARNINGS.	THROUGH EARNINGS.		WAY EARNINGS.	
		EAST.	WEST.	EAST.	WEST.
.....	\$237,572 24	\$61,714 54	\$65,300 06	\$60,812 96	\$80,183 76
.....	306,958 13	58,967 52	106,845 04	62,024 07	80,121 40
.....	477,760 28	80,011 50	178,307 59	74,200 11	145,241 08
.....	484,705 75	110,573 43	169,872 27	69,318 15	135,031 90
.....	348,198 54	62,913 09	102,408 76	77,967 54	104,900 15
May.	534,171 08	146,306 58	177,832 00	61,816 14	118,412 42
June.	507,876 31	107,793 65	192,985 54	93,410 49	113,100 43
July.	440,442 26	122,970 41	165,820 82	109,048 73	102,603 31
August.	538,095 51	143,469 55	135,134 03	140,821 35	183,729 69
September.	491,418 23	130,334 04	137,965 11	120,004 04	163,025 04
October.	404,266 22	84,837 01	127,423 78	63,488 01	99,547 42
November.	351,685 47	88,687 03	108,550 95	81,705 30	72,742 10
December.					
TOTAL.	\$5,197,769 96	\$1,198,518 80	\$1,638,517 74	\$1,064,939 97	\$1,296,723 95
" 1881.	5,131,571 39	1,237,990 19	1,965,799 24	892,326 96	1,035,455 60
INCREASE.	\$66,198 57	\$69,471 89	\$327,281 50	\$171,063 01	\$201,209 95
DECREASE.					

Comparative Statement of Freight Earnings for years 1881 and 1882.

MONTH.	1881.	1882.	INCREASE.	DECREASE.
January.....	\$970,277 23	\$1,216,353 98	\$246,076 75	\$54,530 47
February.....	926,819 57	969,980 01	13,110 44	177,095 89
March.....	1,056,771 00	1,180,059 02	123,288 02	441,820 57
April.....	1,197,036 96	1,142,506 49		617,830 20
May.....	1,543,429 40	1,366,333 51		240,544 34
June.....	1,035,513 72	1,193,693 15		108,051 03
July.....	1,637,599 11	1,020,268 91		860,869 26
August.....	1,671,482 10	1,430,937 76		23,764 47
September.....	1,781,621 15	1,672,570 13		18,428 81
October.....	1,991,276 37	1,630,407 11		
November.....	1,462,057 99	1,438,293 52		
December.....	1,189,242 60	1,170,813 79		
Total.....	\$17,063,127 20	\$15,402,167 37		\$1,660,959 83

Commercial Business decreased.....	\$1,531,673 72
Government "	122,865 07
Company "	6,921 04
Total.....	\$1,660,959 83

Comparative Statement of Freight Earnings, subdivided as below, excluding Company Freight Earnings, for the years 1882 and 1881.

1882.	LOCAL.		THROUGH.		PACIFIC COAST.		COAL.		TOTAL.
	East.	West.	East.	West.	East.	West.	East.	West.	
January...	\$160,744 70	\$291,228 07	\$62,512 96	\$226,320 90	\$47,990 65	\$228,468 28	\$35,631 72	\$19,128 98	\$1,072,026 46
February...	77,050 74	290,696 11	60,224 06	184,082 47	15,759 90	127,980 93	42,551 40	19,452 81	808,407 93
March.....	101,116 61	383,243 60	64,168 01	280,069 46	28,873 44	151,621 84	38,722 76	14,798 40	1,062,118 12
April.....	89,620 21	304,148 59	86,583 48	323,830 97	36,991 16	155,503 11	32,900 81	7,573 83	1,035,952 16
May.....	77,981 46	345,758 89	91,061 67	328,453 57	118,759 28	227,668 70	31,500 28	8,228 50	1,229,432 35
June.....	101,045 24	282,942 49	105,032 53	229,479 90	110,498 28	203,427 24	20,121 00	6,003 70	1,058,540 88
July.....	157,596 99	278,794 41	58,262 55	181,553 89	62,637 83	155,210 77	34,324 57	4,918 28	988,293 79
August....	365,557 85	398,422 70	128,332 48	234,280 86	80,568 01	153,806 98	47,816 86	7,921 60	1,311,657 29
September..	388,673 00	402,238 64	114,390 05	263,791 26	145,145 33	165,567 38	40,141 97	5,706 37	1,525,654 00
October....	439,591 04	463,535 28	103,468 94	239,743 25	74,180 92	107,163 52	63,428 69	4,959 70	1,486,071 84
November...	287,857 91	371,170 46	92,602 77	286,098 74	72,892 85	156,145 94	55,013 45	15,248 88	1,840,080 95
December..	239,498 60	391,768 73	80,739 57	116,018 50	49,254 37	70,866 85	62,596 87	6,641 88	1,042,309 87
Total, 1882.	\$2,396,274 35	\$4,201,946 97	\$1,037,399 02	\$2,895,768 77	\$643,041 72	\$1,903,431 54	\$507,050 38	\$120,576 88	\$18,905,459 63
Total, 1881.	2,300,554 54	4,606,264 07	924,426 38	3,440,395 43	1,431,524 95	2,272,131 84	440,974 74	148,256 47	15,559,628 42
Increase....	. \$95,719 81	\$404,317 10	\$112,972 64	\$544,626 66	\$588,488 23	\$368,700 80	\$66,075 64	\$22,079 59	\$1,654,088 79
Decrease....									

Comparative Statement showing the rate per ton per mile of Freight carried during the years 1882 and 1881.

	1882.		1881.		INCREASE.		DECREASE.	
	INCLUDING COAL.	EXCLUDING COAL.	INCLUDING COAL.	EXCLUDING COAL.	INCLUDING COAL.	EXCLUDING COAL.	INCLUDING COAL.	EXCLUDING COAL.
LOCAL—								
Eastbound.....	\$1 52	\$2 07	\$1 62	\$2 15			.10	.08
Westbound....	3 10	3 14	3 17	3 21			.07	.07
Average.....	2 19	2 64	2 35	2 76			.16	.12
THROUGH—								
Eastbound.....		1 69	1 80	1 80				.11
Westbound....		2 68	2 88	2 88				.15
Average.....		2 33	2 53	2 58				.20
PACIFIC COAST—								
Eastbound.....		1 30	1 28	1 28		.02		.13
Westbound....		1 12	1 25	1 25				.09
Average.....		1 17	1 26	1 26				
TOTAL—								
Eastbound.....	1 51	1 77	1 54	1 73			.03	
Westbound....	2 19	2 14	2 31	2 31		.04	.12	.17
Average.....	1 89	2 03	1 96	2 09			.09	.06

Statement of Through and Way Passenger Statistics for the Year 1882.

MONTH.	THROUGH PASSENGERS.				WAY PASSENGERS.				TOTAL PASSENGERS.	TOTAL ONE MILE.
	EAST.	ONE MILE.	WEST.	ONE MILE.	EAST.	ONE MILE.	WEST.	ONE MILE.		
January	2753½	1,801,141	4460½	3,237,275	180724	1,498,989	306034	2,305,427	55,890	8,832,832
February	2980	1,718,502	4661	3,353,696	22219	1,335,899	267504	2,281,101	56,6104	8,899,198
March	4171½	2,237,189	8078½	5,792,589	285614	1,901,452	36433	4,168,466	77,2444	14,099,696
April	5506	3,224,840	8128	6,064,249	286669	1,962,662	338833	3,428,068	76,137	14,679,819
May	4244	1,889,191	5370	3,191,722	304404	1,858,057	311804	2,776,895	71,235	9,715,865
June	7255½	4,274,152	8549½	5,880,945	299434	2,323,684	34385	3,613,202	80,1334	15,991,983
July	6031½	3,857,934	9097	5,897,353	33969	2,557,388	373014	3,070,568	86,399	16,383,273
August	5983½	3,831,043	8471	4,776,890	37318	3,038,208	39167	2,954,252	90,9894	14,600,393
September	9174	4,670,367	9526	4,576,525	65577	4,328,881	67579	4,304,551	151,856	17,890,324
October	4698½	2,558,072	6560½	4,490,697	38581	3,117,080	398474	2,969,079	89,6874	13,124,928
November	5072½	3,659,445	6817	5,191,201	30927	2,525,358	32205	2,592,717	75,0214	13,968,721
December	4006	2,830,463	4577½	3,653,659	31313	2,118,614	30369	1,962,568	70,2654	10,560,304
TOTAL	61876½	36,552,339	84296½	56,106,831	3955914	28,551,272	439655	36,316,894	981,4194	157,527,836
" 1881	59475	40,578,989	89620½	61,148,233	3093314	24,084,108	3487134	27,158,675	807,1404	152,970,005
INCREASE.	2401½	4,026,650	5824	5,041,402	86260	4,467,164	909414	9,158,219	174,279	4,557,831
DECREASE										

*Comparative Statement of the Number of Tons of Freight carried One Mile, during the Years
1882 and 1881.*

1882.	LOCAL.		THROUGH.		PACIFIC COAST.		TOTAL.
	East.	West.	East.	West.	East.	West.	
January.....	6,831,488	9,185,421	3,978,975	10,301,962	3,126,778	13,078,401	46,508,025
February.....	3,677,945	10,285,237	4,097,314	10,259,135	1,696,650	12,439,436	42,455,717
March.....	3,836,813	12,866,992	4,018,711	10,674,893	2,088,207	15,006,070	48,476,886
April.....	3,381,921	10,727,167	4,242,406	9,497,933	3,453,845	13,211,839	44,514,511
May.....	2,635,006	11,047,581	5,782,245	14,271,381	6,974,783	17,068,370	57,779,366
June.....	3,115,938	7,998,576	5,790,469	7,358,094	6,698,843	13,047,691	44,009,611
July.....	7,188,978	7,692,982	3,720,463	5,072,949	3,795,311	10,329,261	37,799,944
August.....	13,592,396	12,004,914	6,814,746	7,442,530	9,012,308	16,140,251	65,007,045
September.....	21,107,656	10,954,562	6,193,257	8,508,366	10,151,223	13,789,183	70,704,247
October.....	23,094,253	14,442,389	6,100,013	9,017,024	7,845,175	14,984,149	75,488,003
November.....	14,419,824	13,508,766	5,654,922	9,781,450	6,569,462	16,091,237	66,025,671
December.....	12,627,018	13,425,924	4,706,131	5,815,406	3,524,149	13,631,028	53,729,656
Total.....	115,508,646	134,130,511	61,099,652	108,001,128	64,931,634	168,816,916	652,488,482
Add Coal Sold.....	75,059,043	5,243,529					80,302,572
Total, 1882.....	190,567,689	139,374,040	61,099,652	108,001,128	64,931,634	168,816,916	732,791,054
Total, 1881.....	168,595,393	149,518,098	51,266,847	121,267,833	111,393,219	181,369,694	733,831,084
Increase.....	21,972,296	10,144,058	9,832,805	13,266,710	46,361,585	12,572,778	50,540,030
Decrease.....							

*Comparative Statement of Classified Freight, in
pounds, forwarded during the years 1882
and 1881.*

ARTICLES.	1882.	1881.
	POUNDS.	POUNDS.
MINERAL PRODUCTS—		
Coal.....	699,920,950	681,712,990
Stone and Brick.....	41,523,240	25,204,105
Cement, Plaster and Lime.....	26,989,245	27,013,360
Salt.....	32,978,135	34,297,710
Metallic Ores.....	42,303,450	24,601,850
Other and Coke.....	183,340,675	87,863,135
AGRICULTURAL PRODUCTS—		
Wheat.....	404,266,475	315,341,920
Corn.....	337,621,010	230,012,055
Oats and Barley.....	76,957,470	139,658,690
Rye, Flax Seed, &c.....	18,421,350	14,267,380
Hay.....	66,749,000	81,629,375
Potatoes and Vegetables.....	55,803,705	95,854,995
GROCERIES—		
Canned Goods.....	48,755,665	81,784,575
Soap and Candles.....	12,948,705	15,432,660
Sugar, Syrup, &c.....	51,176,450	54,108,475
Tea.....	23,350,980	21,851,750
Coffee.....	7,878,530	12,848,055
Other.....	58,848,165	75,970,285
HARDWARE AND METALS—		
Hardware.....	54,421,790	42,863,470
Nails.....	19,194,915	26,038,730
Stoves.....	17,568,225	15,135,090
Steel Rails.....	23,320,045	76,843,370
Bar Iron, &c.....	12,044,815	13,208,285
Other Iron.....	57,110,570	77,689,665
Steel, Copper, &c.....	5,487,485	6,041,625
Tin and Quicksilver.....	4,575,460	6,609,290
Lead.....	27,043,580	21,805,910
Bullion.....	115,769,410	117,267,440
Matte and Tailings.....	18,464,380	8,338,239
LEATHER AND RUBBER—		
Boots and Shoes.....	9,812,345	10,291,860
Leather and Leather Goods.....	6,022,520	6,613,195
Rubber Goods.....	3,302,585	3,204,095
HIDES, WOOL, &c.—		
Hides, Pelts, &c.....	11,558,295	14,185,945
Furs.....	657,655	3,698,995
Wool.....	31,253,000	48,132,755
LIVE STOCK—		
Cattle.....	231,712,295	250,237,025
Hogs.....	73,287,320	86,397,106
Horses and Mules.....	17,029,495	18,171,300
Sheep.....	20,244,380	16,902,015

	1882.	1881.
	POUNDS.	POUNDS.
LIQUORS—		
Whiskey, Spirits, &c.....	19,115,150	24,206,650
Wine and Brandy.....	8,969,300	24,584,725
Beer, Ale and Porter.....	19,686,140	21,924,650
MILITARY AND NAVAL STORES—		
Powder, Cartridges, &c.....	3,605,525	4,807,155
Tar and Pitch.....	2,419,225	1,402,010
Rope and Cordage.....	5,504,855	4,532,345
PROVISIONS—		
Hog Products.....	34,771,140	47,901,035
Beef.....	952,545	1,296,710
Fish and Game.....	12,616,250	11,306,610
Poultry.....	242,010	594,620
Butter, Eggs and Cheese.....	9,660,400	12,201,990
WOOD AND MANUFACTURES OF WOOD—		
Agricultural Implements.....	40,073,510	37,532,575
Vehicles.....	42,195,210	37,526,550
Lumber, Timber, &c.....	446,878,620	362,052,750
Shingles, Lath and Staves.....	13,639,695	13,635,760
Wood.....	14,173,340	13,871,550
Charcoal.....	3,346,200	3,182,515
Manufactured Wood.....	13,502,915	16,424,390
Wood in Shape.....	6,895,855	9,546,610
Barrels and Casks.....	5,564,605	5,436,920
MISCELLANEOUS—		
Drugs and Borax.....	15,918,290	17,573,525
Oil.....	70,450,260	79,805,610
Paint and Varnish.....	6,932,760	5,907,695
Window Glass.....	4,335,300	3,986,550
Glassware and Crockery.....	21,751,105	19,405,830
Dry Goods.....	70,005,725	79,416,760
Silk.....	2,638,140	2,800,215
Fancy Goods.....	4,191,030	4,512,420
Hats and Millinery Goods.....	2,601,645	2,565,430
Green Fruit.....	31,291,305	33,011,820
Dried Fruit and Nuts.....	11,724,585	15,424,090
Flour.....	69,361,625	51,821,885
Meal, Feed, &c.....	24,248,150	31,009,445
Furniture and H. H. Goods.....	51,118,815	51,080,870
Emigrant moveables.....	17,409,290	12,317,115
Machinery.....	36,632,955	37,238,420
R. R. Material.....	9,382,680	30,413,185
R. R. Vehicles.....	13,038,965	17,552,290
Musical Instruments.....	4,169,890	3,587,950
Paper.....	24,366,635	19,438,910
Books and Stationery.....	5,150,405	5,959,035
Tobacco.....	15,468,765	19,978,220
Cigars and Pipes.....	2,396,470	2,877,350
Trees, Shrubbery, &c.....	3,241,565	5,107,300
Bones.....	2,644,850	1,482,460
Merchandise.....	41,432,700	15,448,085
Miscellaneous.....	37,840,905	17,240,705
Total.....	4,203,271,065	4,130,060,643
Increase.....	73,210,420	

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City of Washington

REPORT
TO THE
STOCKHOLDERS
OF THE
UNION PACIFIC RAILWAY
COMPANY
FOR THE YEAR 1883.



REPORT
TO THE
STOCKHOLDERS
OF THE
UNION PACIFIC
RAILWAY COMPANY

FOR THE YEAR 1883.

NEW YORK :
RUFUS ADAMS & CO., STATIONERS AND PRINTERS, 167 BROADWAY.

1884.

DIRECTORS

OF THE

UNION PACIFIC RAILWAY COMPANY.

SIDNEY DILLON.....New York.	DAVID DOWS.....New York.
F. L. AMES.....Boston.	JAY GOULD.....New York.
ELISHA ATKINS.....Boston.	RUSSELL SAGE.....New York.
EZRA H. BAKER.....Boston.	ANDREW H. GREEN...New York.
F. G. DEXTER.....Boston.	S. H. H. CLARK.....Omaha.
CHAS. FRANCIS ADAMS, Jr. Boston	JOHN SHARPSalt Lake.
JAMES A. RUMRILL...Springfield.	G. M. DODGE.....Council Bluffs.
HUGH RIDDLE.....Chicago.	

GOVERNMENT DIRECTORS.

ISAAC H. BROMLEY.....	New Haven, Ct.
GEORGE G. HAVEN.....	New York City.
WATSON PARRISH.....	Oakland, Neb.
ARTHUR L. CONGER.....	Akron, Ohio.
COLGATE HOYT.....	New York City.

GENERAL OFFICERS.

SIDNEY DILLON.....	<i>President</i> , New York.
ELISHA ATKINS.....	<i>Vice President</i> , Boston.
SYDNEY BARTLETT	<i>General Counsel</i> , Boston.
JOHN F. DILLON.....	<i>General Solicitor</i> , New York.
HENRY McFARLAND.....	<i>Secretary and Treasurer</i> , Boston.
O. W. MINK.....	<i>Assistant Secretary and Assistant Treasurer</i> , Boston.
JAMES M. HAM.....	<i>Assistant Secretary and Assistant Treasurer</i> , New York.
H. B. WILBUR.....	<i>Auditor</i> , Boston.
JAMES G. HARRIS.....	<i>Transfer Agent</i> , Boston.
H. J. WORCESTER.....	<i>Transfer Agent</i> , New York.

OFFICERS ON THE LINE.

S. H. H. CLARK.....	<i>General Manager</i> , Omaha.
T. L. KIMBALL.....	<i>Assistant General Manager</i> , Omaha.
A. J. POPPLETON.....	<i>Attorney</i> , Omaha.
J. P. USHER.....	<i>Attorney</i> , Lawrence, Kansas.
ERASTUS YOUNG.....	<i>Auditor</i> , Omaha.
FRANK D. BROWN.....	<i>Cashier</i> , Omaha.
P. J. NICHOLS.....	<i>General Superintendent Nebraska Division</i> , Omaha.
S. T. SMITH.....	<i>General Superintendent Kansas Division</i> , Kansas City.
A. A. EGBERT.....	<i>General Superintendent Colorado Division</i> , Denver.
E. DICKINSON.....	<i>Gen'l Superintendent Wyoming Division</i> , Laramie, Wyo.
W. B. DODDRIDGE.....	<i>Gen'l Superintendent Idaho Division</i> , Ogden, Utah.
P. P. SHELBY.....	<i>General Freight Agent</i> , Omaha.
J. W. MORSE.....	<i>General Passenger Agent</i> , Omaha.
C. S. STEBBINS.....	<i>General Ticket Agent</i> , Omaha.
LEAVITT BURNHAM.....	<i>Land Commissioner</i> , Omaha.
B. McALLISTER.....	<i>Land Commissioner</i> , Kansas City.

REPORT.

*To the Stockholders of the
Union Pacific Railway Co.*

Your Directors submit the following report of the operations of the Company for the year ending December 31st, 1883.

LENGTH OF ROAD.

UNION DIVISION:

Council Bluffs to the Junction with the Central
Pacific Railroad, - - - - 1,042.4 miles.

KANSAS DIVISION:

Kansas City to Denver, and Leavenworth to
Lawrence, - - - - - 672.5 miles.

CHEYENNE DIVISION:

Denver to Cheyenne, - - - - 106 miles.

Total, - - - - - 1,820.9 miles.

EARNINGS AND EXPENSES.

The Gross Earnings of the Company for the year were	- - - - -	\$21,002,541.78
Operating Expenses, (including Taxes),	-	10,354,540.50
Surplus Earnings,	- - -	\$10,648,001.28
Interest and Dividends collected on Investment Securities,	- - - -	2,066,682.09
Total Surplus Earnings,	- -	\$12,714,683.37

PAYMENTS.

Interest on Bonds,	- - - - -	\$4,667,711.17
Discount, Interest, and Exchange,	- -	139,630.33
Sinking Fund Requirements,	- - -	476,488.78
Amount due to the United States on the business of the year,	- - - -	1,869,958.33
Premium paid on Bonds redeemed, &c.	-	38,233.10
Dividends on Stock,	- - - -	4,260,788.00
Total Payments,	- - -	\$11,452,809.71
Surplus for the year,	- - - -	\$1,261,873.66

FUNDED DEBT.

Total Funded Debt of the Company,	-	\$90,601,582.50
Less amount held by Trustees of Consolidated Bonds,	- - - -	6,095,250.00
Balance outstanding,	- -	\$84,506,332.50

BONDS CANCELLED OR BOUGHT FOR THE SINKING FUNDS DURING THE YEAR.

Land Grant Bonds,	- - - - -	\$ 81,000.00
Sinking Fund Mortgage Bonds,	- - -	133,000.00
Omaha Bridge Bonds,	- - - -	83,000.00
Collateral Trust Bonds,	- - - -	130,000.00
Denver Extension Bonds purchased and cancelled,	- - - - -	16,000.00
Denver Extension Bonds purchased for the Sinking Fund,	- - - -	104,000.00
Total,	- - - -	\$547,000.00

EARNINGS.

From Transportation of Passengers, - -	\$ 4,659,116.16
“ “ Freight, - -	14,268,291.31
“ “ Mail, - - -	739,133.19
“ “ Express, - -	705,261.96
“ Miscellaneous Earnings, - - -	630,739.16
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Total Earnings, - - - -	\$21,002,541.78

Compared with the year previous there was
a decrease in earnings of - - - \$1,821,342.46

The aggregate amount of passenger and freight traffic for the year 1883 exceeded the amount for the previous year, the diminished earnings having been caused by a reduction in rates. The total number of passengers carried was 1,185,984, being an excess of 21 per cent.; and of tons of freight carried, 2,583,285, being an excess of 23 per cent. over the year 1882.

The business depression in Colorado for a greater part of the year, together with a division of Montana traffic with the Northern Pacific Railroad, and the entire diversion from our lines after September 15th of the passenger business between Oregon and Washington Territory and the East, caused a large loss in the passenger business of the Union Division. During the last seven months of 1883 there was a reduction of 25 per cent. from the rates previously in force on all the Company's lines in Kansas, but the local traffic resulting from the development of the country adjacent to the Railway considerably exceeded the amount of this loss, and but for the reduction in rates in Colorado and Utah, arising from the completion of rival lines and the failure to agree upon rates, the gross earnings of the Company for the past year would have been largely in excess of the year previous. The latter of these causes has now been remedied, and with the maintenance of present

rates, and the continued increase of traffic, the gross and net earnings for the year 1884 should show very favorably when compared with the past year.

In the Through, and in the Pacific Coast business, there was a gain from last year of 23,083 tons in the east bound freight, but a loss of 67,872 tons in freight west bound. The local freight increased from 1,609,500 tons to 2,135,955 tons, being at the rate of $32\frac{7}{10}$ per cent., and the local freight tonnage increased from 329,941,729 tons carried one mile, to 435,380,875 tons carried one mile, being an increase of 32 per cent. The average decrease in rates per ton per mile for the year on through freight was $\frac{7\frac{3}{10}}{100}$ of one cent, and on local freight was $\frac{1\frac{4}{10}}{100}$ of one cent.

In agricultural products, consisting of corn, oats, barley, wheat, flour and meal, there was an increase of 290,652 tons, being at the rate of 62 per cent.

In mining products, consisting of metallic ores, lead, bullion, matte and tailings, and commercial coal, the increase was 137,941 tons or 30 per cent.

In building materials, consisting of stone, brick, cement, lime, hardware, lumber, timber, shingles and lath, there was an increase of 85,962 tons or $28\frac{1}{4}$ per cent.

In live stock, consisting of cattle, sheep, hogs, horses and mules, the increase was 38,620 tons or $22\frac{1}{4}$ per cent.

In emigrants' movables, the increase was 7,512 tons or $83\frac{3}{10}$ per cent.

These results of the year's business in the transportation of freight indicate the rapid progress that is being made in the settlement of the country and in the development of mining and industrial interests along the lines of the Company's Railways.

OPERATING EXPENSES.

The operating expenses, including taxes, in 1883, were \$10,354,540.50. Compared with the year previous there was a saving of \$653,438.72 in the cost of maintenance of way and of cars, and the increase in the cost of conducting

transportation was \$203,731.66, the total saving in operating expenses being \$372,508.78.

To meet the competition forced on this Company by the injudicious action of rival lines, it became necessary, besides reducing rates, to run an additional number of trains. In consequence thereof, mainly, but partly owing to a larger traffic, the locomotive mileage was increased from 9,611,683, in 1882, to 12,448,764, in 1883, being an increase of $29\frac{1}{2}$ per cent. The train mileage cost $\$1.09\frac{7}{10}$ per mile, or $1\frac{7}{10}$ cents per mile less than during 1882, which is a favorable result, considering the increased speed of through passenger train service during the year.

COAL MINING.

The total amount of coal mined by the Company amounted to 757,119 tons, being an increase from the same mines of 95,273 tons, or $14\frac{3}{10}$ per cent., over the out-put of the preceding year. The average cost loaded into cars was $\$1.40\frac{1}{2}$ per ton, being $5\frac{1}{2}$ cents less than during 1882.

The amount of coal sold for commercial purposes was 265,113 tons, being an increase of $10\frac{2}{10}$ per cent. over that of the year previous. This is a fair yearly increase in the supply for commercial purposes. During the past year the demand was largely in excess of the capacity of the Company to supply it, owing to insufficient means of transportation. The mines are capable of producing the full supply for the Railroad Company, and for commercial use of the large district of country penetrated by its main and tributary lines, but it is evident from the experience of the past year, that additional equipment will be required for that purpose. The policy of furnishing coal, approximately at cost, has been maintained, and the amplest assurance is given in the development of industries along the lines of Railway, that it is more advantageous to the Company than would be a direct profit on the sale of coal.

LARAMIE ROLLING MILL.

During 1883 there were turned out from the Company's Mill at Laramie, 6,154 tons of iron rails, and 8,510,997

pounds of bar iron, splices, spikes, bolts and nuts. The continued fall in the price of steel rails during the past year had reached a price in June, when it was no longer deemed advantageous to re-roll iron rails, and at the expiration of that month the business of manufacturing rails for side tracks, and for subsidiary lines of the Company was suspended. Since that date the rails taken out of tracks have been rolled into bar iron, used in the manufacture of cars and into material for track fastenings.

LAND SALES.

The sales of Company lands in 1883 amounted to a larger sum than in any previous year since the sales were commenced, and exceeded the sales last year by the sum of \$2,308,837.82.

The total number of acres sold during the year was 1,166,349.39, for the gross sum of \$4,081,133.94. The number of purchasers was 3,814, who bought an average of $305\frac{2}{3}$ acres each, at the average price of \$3.50 per acre.

Favorable crops in Kansas and Nebraska, and the partial failure of crops in Manitoba and in Wisconsin, turned the tide of emigration to lands adjacent to the lines of the Company, and their superior character secured purchasers. A large quantity of lands sold for farming purposes is within a belt of country which, until recently, was regarded as a region where crops could not be raised without an expensive system of irrigation.

It is a very favorable feature that, besides the direct income from the sale of these lands at advanced prices, their settlement and cultivation will afford an amount of local business for the Railway of a very extensive and profitable character. All lands granted to the Company have been sold for the distance of 200 miles west of the Missouri River.

RENEWALS AND REPAIRS.

During the year 1883 there were laid in renewal of tracks 9,237 tons of steel rails, 2,221 tons of iron rails, and 612,134 cross ties of oak, cedar or pine. The iron rails were laid in side tracks only. One iron truss bridge, four wood

truss bridges, and 312 pile bridges were rebuilt, aggregating 23,360 feet in length. Repairs were made to 775 bridges, 161 station buildings, and to 85 tenement houses and hotels, at the cost of \$363,682.26.

CONNECTING RAILROADS.

During the past year the Railroads connecting with the Union Pacific Railway and operated under its control were extended as follows :

Oregon Short Line Railway and Wood River	
Branch, - - - - -	317 miles.
Omaha and Republican Valley R. R. - - -	27 "
Omaha, Niobrara and Black Hills R. R. - -	14 "
Georgetown, Breckenridge and Leadville Ry. -	2 "
Denver, South Park and Pacific R. R. - -	36 "
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Total, - - - - -	396 miles.

In addition to the above the grading in advance of track-laying was completed as follows :

Oregon Short Line Railway, - - - - -	24 miles.
Omaha and Republican Valley Railroad, - -	21 "
Omaha, Niobrara and Black Hills Railroad, -	16 "
Georgetown, Breckenridge and Leadville Railway	6½ "
Denver, South Park and Pacific Railroad, -	21½ "

The aggregate length of connecting railroads operated in the interest of your Company, January 1st, 1884, amounted to 2,960 miles, as follows :

Omaha and Republican Valley R. R., - - -	187 miles.
Omaha, Niobara and Black Hills R. R., - -	98 "
Marysville and Blue Valley R. R., - - -	38 "
Colorado Central Railroad, - - - - -	327 "
Echo and Park City Railway, - - - - -	32 "
Utah and Northern Railway, - - - - -	462 "
Oregon Short Line Railway and Branch, - -	572 "
Greeley, Salt Lake and Pacific Ry., - - -	41 "
Lawrence and Emporia Ry., - - - - -	31 "
Junction City and Fort Kearney Ry., - - -	70 "

Salina and Southwestern Ry.,	- - - -	35 miles
Golden, Boulder and Caribou Ry.,	- - - -	6 "
Denver and Boulder Valley R. R.,	- - - -	27 "
Georgetown, Breckenridge and Leadville Ry.,	- - - -	2 "
Central Branch U. P. R. R., and leased lines (operated by the Missouri Pacific R. R.),	- - - -	388 "
Kansas Central R. R.,	- - - -	165 "
Denver, South Park and Pacific R. R.,	- - - -	300 "
Manhattan and Blue Valley R. R.,	- - - -	4 "
Salt Lake and Western R. R.,	- - - -	54 "
Nevada Central Ry.,	- - - -	93 "
Total,	- - - -	2,932 miles

In addition to the above, the Company has large proprietary interests in the following operated as independent lines :

St. Jo. and Western R. R.,	- - - -	251 miles.
Solomon Railroad,	- - - -	57 "
Utah Central Ry.,	- - - -	280 "
Leavenworth, Topeka and Southwestern Ry.,	- - - -	47 "
Manhattan, Alma and Burlingame Ry.,	- - - -	28 "

OREGON SHORT LINE RAILWAY.

At the date of the last Annual Report this Railway was open for business to Shoshone, Idaho, 321 miles from the point of its connection with the Union Pacific Railway. Up to the 1st of January, 1884, the road had been operated for an average length of about 420 miles; the net earnings of its business since April 1st being only \$57,000 less than the current interest on the bonds issued for its construction. This is regarded as a very favorable result, and is confirmative of the confidence heretofore expressed of the large volume of business that this road will exchange with the Union Pacific upon further development of the Wood River Mining District.

When it became evident that the Oregon Railway and Navigation Company would be unable to complete its line to a junction with the Oregon Short Line at the date anticipated in the last Annual Report of this Company, it

became less important to complete the Oregon Short Line by that time. The grading was completed, however, by the 1st of January, 1884, and at this date (March 1st), there remain but $2\frac{1}{2}$ miles of track to be laid.

It is understood that arrangements are in progress for hastening the completion of the Oregon Railway and Navigation Company's Railroad to the junction with the Oregon Short Line.

UTAH AND NORTHERN RAILWAY.

The completion of the Northern Pacific Railroad to Portland, gave to the Union Pacific, by the Utah and Northern Railway, a railway connection to Oregon and an interchange of business mutually advantageous has taken place. Until the completion of the Oregon Railway and Navigation Company's line to a connection with the Oregon Short Line, this all-rail route to and from Oregon and Washington Territory, can be utilized with valuable results. A branch line from the Utah and Northern Railway at Market Lake, to the Yellowstone Park, is of easy construction, and when completed it will add a large passenger traffic to the Union Pacific, the Oregon Short Line, and to the Utah and Northern.

DENVER, SOUTH PARK AND PACIFIC RAILROAD.

It was deemed advantageous that an independent line should be constructed to Leadville, in place of paying to the Denver and Rio Grande Railway the large sum demanded for the use of 43 miles of its track, by which the connection to Leadville has hitherto been made. Accordingly, a branch 34 miles in length has been built, extending from Dillon to Leadville; and on the 6th of February the first locomotive passed over the route. A short spur, $7\frac{1}{2}$ miles in length, has also been built to give direct connection between the Denver, South Park and Pacific line, and its Gunnison extension. The branch, 16 miles in length, extending from Gunnison to the coal mines on Ohio Creek, has been completed, by which an ample supply of fuel of excellent quality has been obtained.

OPERATIONS OF 1883.

An examination of the subjoined statements will disclose the following resulting balances of income for the year, which are equal to the percentages enumerated below on the share capital of the Company :

Surplus of General Income, after allowing for dividends at the rate of 7 per cent., $2\frac{73}{1000}$ per cent., or	\$1,261,873.66
Surplus of Land and Trust Income, $4\frac{225}{1000}$ per cent., or	3,040,467.09
Surplus carried to Income used for Sinking Funds, $7\frac{88}{1000}$ per cent., or	476,488.78
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	\$4,778,829.53
Deduct, Deficit in Special U. S. Income, $1\frac{83}{1000}$ per cent., or	111,752.91
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Net additions to the Income Accounts, over and above the 7 per cent. dividends paid during the year, $7\frac{668}{1000}$ per cent., or	\$4,667,076.62

It will also be seen that during the year 1883 the amount of the Investment Accounts was increased by the sum of \$4,181,519.82, and that there was a further increase of \$2,907,344.62 in the Land Department Assets.

During the past year the Company has been subjected to losses of earnings from causes beyond its control. The volume of business was largely greater than that of the year preceding, but the Company was compelled, by a competition that persisted in carrying freight at a loss, to surrender the transportation of a large amount of competitive freight, or to accept a small profit on the business. To strengthen its position, and to obviate, if possible, a recurrence of similar unwise action by rival lines, the Company formed an alliance known as the "Tripartite" with Railway lines extending eastward from the Missouri River. By concurrent action it is believed that greater

stability in rates will be ensured, and the interests of the Railways, and of the business communities along their lines, will be promoted.

The relations of the Company with the United States have not changed during the past year. The principal matter in dispute between the Government and the Company, is in relation to the amount which shall be allowed to the Company as compensation for the carrying of the mails. Under the decision of the United States Supreme Court, the Company has a charge against the United States for this service, covering the period from February, 1876, after which date the Company gave notice that it would no longer acquiesce in the rate prescribed by the Postmaster General, to December 31st, 1882, which exceeds the allowances of the Postmaster General for the same period by upwards of \$3,500,000. The Post Office Department and the Company have not been able to come to any arrangement in respect of this controversy, and the matter has therefore been allowed to go to the Court of Claims for the purpose of having the "fair and reasonable rate" contemplated under the Company's charter established. The contention of the Company is, that until this amount of mail compensation has been definitely ascertained it will not be possible for the Government or for the Company's officers to state correctly the net earnings of the Company's road, as contemplated under the "Thurman Act," nor to offset against the percentage of those net earnings the correct amount of Government transportation, which, under the Act referred to, is to be deducted before any cash balance is ascertained or required to be paid. By reference to the report of the Commissioner of Railroads of 1883, page 36, it will be seen that the total cash payment claimed by the Government to Dec. 31st, 1882, under the least favorable construction of the term "net earnings" under the Act of 1878, is \$1,727,742.54. Against this balance claimed to be due by the Government, the Company has the claim above referred to of about \$3,500,000. It is not probable therefore that, under any decision that the Court of Claims may

reach, a rate will be found which will so far reduce the amount of our claim as to make it less in amount than the claim of the Government. On the other hand it is probable that upon an adjustment of the accounts, a large balance will be found to be due to the Company. It may be added that only a small portion of the current charge is being entered in the Earnings Accounts of the Company, so that no appreciable diminution of the current income would ensue were the whole of the controverted claim for the year thrown out of the year's income.

The meaning of the term "Net Earnings," about which there exists between the Government and the Company a difference of opinion, yet remains to be determined by the Court.

The continued increase of local traffic and the rapid settlement of Government and of Company lands along its lines of Railway are the surest guarantee of the future prosperity of the Company.

In the operation of the lines of the Company's Railway the highest efficiency, consistent with judicious economy, is the object sought to be attained. The tracks, buildings, machinery and equipment are maintained in thorough repair, and improvements tending to promote economy, or to enhance the comfort and safety of passengers, are constantly being made. The Government Directors, in their Report to the Secretary of the Interior, dated February, 1884, state: "the road-bed, track, buildings and equipment are all in excellent condition, and are kept well up to the highest standard of the best roads in the country."

By order of the Board of Directors,

SIDNEY DILLON,

President.

UNION PACIFIC RAILWAY CO.

FINANCIAL

STATEMENTS,

1883.

General Balance Sheet.

COST OF ROAD AND FIXTURES.		
Old Construction and Equipment, as per last report.....	\$153,514,493 48	
Paid on old Accounts during the Year.....	156,911 71	
Balance of old Construction, this date..	\$153,671,405 19	
Construction Expenditures since Consolidation, as per statement.....	1,585,495 79	
Equipment Expenditures since Consolidation, as per statement.....	2,134,738 78	
		\$157,391,639 76
INVESTMENTS—		
Securities of auxiliary Companies :		
Stocks, as per Statement, cost.....	\$13,536,961 58	
Bonds, as per Statement, cost... ..	19,500,645 37	
Investments in auxiliary Companies payable in Bonds and Stocks.....	4,811,124 41	
County and Township Bonds.....	32,850 00	
Miscellaneous Stocks and Bonds.....	666,951 32	
Coal Mines, Lands, &c.	431,570 51	
Securities of auxiliary Companies in the Consolidated Mortgage Trust, as per statement:		
Bonds.....	\$3,158,000 00	
Stocks.....	52,950 00	
	3,210,950 00	
Denver Extension Sinking Fund.....	289,000 00	
		42,480,053 19
LAND DEPARTMENT ASSETS—		
Union Pacific R. R. Co. Land Grant...	\$7,180,392 52	
Kansas " R'y Co. " ...	2,033,711 30	
		9,214,103 82
		\$209,085,796 77

December 31, 1883.

Capital Stock.....		\$60,868,500 00
Funded Debt.....	\$90,601,582 50	
Less amount held by the Trustees under the Kansas Pacific Consolidated Mortgage	6,095,250 00	84,506,332 50
UNITED STATES BONDS AND INTEREST.		
Union Pacific R. R. Co. Bonds.....	\$27,236,512 00	
Kansas Pacific Railway Co. Bonds	6,303,000 00	
Interest accrued thereon	\$33,539,512 00	
Less amounts repaid by the Company....	\$32,093,368 86	
	18,225,327 91	
	18,868,040 95	47,407,552 95
UNFUNDED DEBT—		
Notes Payable.....	\$3,898,000 00	
Accounts Payable.....	1,414,653 96	
Coupons, Dividends, and Drawn Bonds, including those due January 1, 1884.....	2,421,106 17	
Audited Bills, Pay Rolls, &c., for December, 1883.....	2,907,612 56	
	\$10,141,372 69	
LESS: Cash on hand..	\$1,962,310 10	
Balances due from Station and other Agents and Foreign Roads.....	1,954,044 45	
Balances due from auxiliary roads....	1,259,510 94	
Company's Stock and Bonds owned by the Company.....	2,099,483 58	
Fuel and Material on hand.....	2,557,564 49	
	9,882,863 56	308,509 13
Interest accrued not yet due		795,914 17
INCOME ACCOUNTS—		
General Income.....	\$8,255,121 21	
Income used for Sinking Funds.....	1,791,488 78	
Land and Trust Income	5,714,688 62	
	\$15,761,298 61	
Deduct deficit of U. S. Requirements as compared with annual U. S. Interest Feb. 1, 1880, to Dec. 31, 1883....	562,310 59	15,198,988 02
		\$209,085,796 77

INCOME ACCOUNT, 1883.

By Gross Earnings, as per statements...	\$21,002,541 78	
Less, Operating Expenses, as per state- ments	10,854,540 50	
Surplus Earnings		\$10,648,001 28
INCOME FROM INVESTMENTS.		
Dividends on Stocks.....	\$701,923 04	
Interest on Bonds.....	1,864,759 05	
		2,066,682 09
		\$12,714,683 37
To Interest on Bonds.....	\$5,284,411 17	
Less, repaid to the Co. by Trustees K. P. Consoli- dated Mortgage.....	616,700 00	
	\$4,667,711 17	
To Discount, Interest and Exchange.....	139,630 33	
TO COMPANY'S SINKING FUND REQUIREMENTS :		
Sinking Fund Mortgage Bonds	\$133,000 00	
Omaha Bridge Bonds.....	83,000 00	
Denver Extension Sinking Fund.....	100,000 00	
Collateral Trust Bonds....	127,000 00	
Trust Five Per Cent. Bonds	33,488 78	
	476,488 78	
To amount due the United States on the business of the year.....	1,869,958 33	
To premiums paid on bonds redeemed...	38,233 10	
		7,192,021 71
Balance in Excess of Fixed Charges,	\$5,522,661 66	
To Dividends at seven per cent.	4,260,788 00	
Surplus for the Year		\$1,261,873 66
By Balance Credit at date of last Report, December 31, 1882.....		6,993,247 55
Balance, credit, Dec. 31, 1883, as per General Balance Sheet		\$8,255,121 21

Comparative Statement of Earnings and Expenses for the Years 1882 and 1883.

EARNINGS.	1882.	1883.	INCREASE.	DECREASE.
Passengers—Cash	\$5,054,343 73	\$4,545,348 29		\$508,995 44
" Government	143,386 28	113,767 87		29,618 41
Freight—Cash	13,543,841 56	12,596,582 13		947,259 43
" Government	361,648 07	342,957 93		18,690 14
" Company	1,496,677 74	1,328,761 25		167,926 49
Mail	746,515 61	739,133 19		7,382 42
Express	748,832 30	705,261 96		43,570 34
Car Service	149,321 14	42,264 75		107,056 39
Rent of Buildings	41,184 89	38,982 02		
Miscellaneous	538,032 92	549,492 39	\$11,459 47	2,202 87
TOTAL EARNINGS	\$22,823,884 24	\$21,002,541 78		\$1,821,342 46
EXPENSES—				
Conducting Transportation	\$2,392,498 72	\$2,596,230 38	\$203,731 66	
Motive Power	3,775,888 47	3,778,344 59	2,456 12	
Maintenance of Cars	957,943 44	848,062 73		\$109,880 71
Maintenance of Way	2,082,492 48	1,845,961 85		236,530 63
Renewal of Rails	556,142 66	249,115 28		307,027 38
General Expenses	474,296 97	531,684 87	57,387 90	
Taxes	487,786 54	505,140 80	17,354 26	
TOTAL EXPENSES	\$10,727,049 28	\$10,354,540 50		\$372,508 78
SURPLUS EARNINGS	\$12,096,834 96	\$10,648,001 28		\$1,448,833 68
Expense Ratio, per cent	47.00	49.30		
Miles Operated	1,820.9	1,820.9		

Statement of the Funded Debt, December 31, 1883.

	ISSUED AND UNPAID.	Held by Trustees Kansas Pacific Consolidated Mortgages.	AFLOAT.
UNION PACIFIC RAIL- ROAD CO.			
First Mortgage Bonds...	\$27,229,000 00		\$27,229,000 00
Land Grant Bonds	4,589,000 00		4,589,000 00
Sinking Fund Coupon Bonds	12,115,000 00		12,115,000 00
Sinking Fund Registered Bonds	1,746,000 00		1,746,000 00
Omaha Bridge Bonds...	1,805,000 00		1,805,000 00
Collateral Trust Bonds..	4,788,000 00		4,788,000 00
KANSAS PACIFIC RAIL- WAY CO.			
Eastern Division Bonds.	2,240,000 00		2,240,000 00
Middle Division Bonds..	4,063,000 00		4,063,000 00
Denver Extension Bonds.	6,307,000 00		6,307,000 00
Leavenworth Branch Bonds	600,000 00	\$565,000 00	35,000 00
Consolidated Mortgage Bonds	15,775,005 00		15,775,005 00
Income Bonds	263,700 00	215,350 00	48,350 00
Income Bonds Subordi- nated	4,011,650 00	3,295,900 00	715,750 00
Denver Extension Cou- pon Certificates	2,397 50		2,397 50
Leavenworth Branch Coupon Certificates...	4,830 00		4,830 00
Cheyenne Branch Bonds.	2,062,000 00	2,019,000 00	43,000 00
UNION PACIFIC RAIL- WAY CO.—			
Trust Five Per Cent. Bonds	2,980,000 00		2,980,000 00
Trust Five Per Cent. Registered Bonds....	20,000 00		20,000 00
	\$90,601,582 50	\$6,095,250 00	\$84,506,332 50

*Statement of Stocks and Bonds of other Companies
owned by the Company December 31, 1883.*

	STOCKS.	BONDS.
Omaha, Niobrara and Black Hills.....	\$977,000 00	\$977,000 00
Omaha and Republican Valley.....	926,900 00	1,851,000 00
Marysville and Blue Valley.....	64,000 00	128,000 00
Echo and Park City.....	480,000 00	480,000 00
Utah and Northern.....	4,816,400 00	4,968,000 00
Colorado Central.....	6,229,000 00	4,697,000 00
Colorado Central, of Wyoming.....	180,000 00	
Lawrence and Emporia.....	465,000 00	
Salina and Southwestern.....	231,700 00	
St. Joseph Bridge Building Co.....	500,000 00	784,000 00
Central Branch Union Pacific.....	858,700 00	
Atchison, Colorado and Pacific.....	150,000 00	508,000 00
Kansas Central.....	1,313,400 00	1,162,000 00
Utah and Nevada.....	438,500 00	
Manhattan, Alma and Burlingame.....	418,650 00	339,000 00
Nevada Central.....	959,500 00	250,000 00
Denver, South Park and Pacific.....	5,192,500 00	1,489,000 00
Wasatch and Jordan Valley.....		10,000 00
Manhattan and Blue Valley.....	44,341 98	
St. Joseph and Western.....	1,536,200 00	
St. Joseph and Pacific, First Mortgage		1,303,869 00
Kansas and Nebraska, " "		1,114,661 40
" " " " Second " "		24,700 00
Hastings and Grand Island.....		375,000 00
Utah Central.....	1,886,900 00	
Utah Southern Extension.....		982,000 00
St. Louis, Council Bluffs and Omaha ..		19,500 00
Denver, Western and Pacific.....	762,500 00	694,000 00
Loveland Pass Mining and Railroad		
Tunnel.....	4,800 00	400,000 00
Salt Lake and Western.....	1,080,000 00	1,080,000 00
Gray's Peak, Snake River and Leadville	6,000 00	
Colorado Western.....	9,100 00	
Leavenworth, Topeka and Southwest-		
ern Railway.....	555,900 00	
Greeley, Salt Lake and Pacific.....	808 500 00	808,000 00
Oregon Short Line.....	6,058,000 00	
	<u>\$36,908,491 98</u>	<u>\$24,444,280 40</u>

*Statement of Securities held by the Trustees under the Kansas
Pacific Railway Company's Consolidated Mortgage.*

	STOCKS.	BONDS.
unction City and Fort Kearney.....	\$720,000 00	\$970,000 00
Golden, Boulder and Caribou.....	60,000 00	60,000 00
Solomon.....	1,000,500 00	575,000 00
Denver and Boulder Valley.....		548,000 00
Lawrence and Emporia.....		465,000 00
Salina and Southwestern.....		540,000 00
National Land Co.....	94,800 00	
	<u>\$1,875,300 00</u>	<u>\$3,158,000 00</u>

*Comparative Statement of the Income Accounts for
the Years 1882 and 1883.*

	1882.	1883.	Increase or Decrease.
Earnings.....	\$22,823,884 24	\$21,002,541 78	Dec. \$1,821,342 46
Operating Expenses.....	10,727,049 28	10,354,540 50	Dec. 372,508 78
Surplus Earnings.....	\$12,096,834 96	\$10,648,001 28	Dec. \$1,448,833 68
Income from Investments.....	2,211,099 35	2,066,682 09	Dec. 144,417 26
Surplus Earnings and In- come from Investments.....	\$14,307,934 31	\$12,714,683 37	Dec. \$1,593,250 94
Interest on Bonds.....	\$5,234,478 93	\$5,284,411 17	Inc. \$49,932 24
Less, repaid to the Co. by Trustees K. P. Consoli- dated Mortgage.....	258,275 00	616,700 00	Inc. 358,425 00
Sinking Fund Require- ments.....	\$4,976,203 93	\$4,667,711 17	Dec. \$308,492 76
United States Require- ments.....	442,000 00	476,488 78	Inc. 34,488 78
Discount, Interest and Exchange.....	2,097,189 90	1,869,958 33	Dec. 227,231 57
Premiums on Bonds and Losses on Investments..	172,722 31	139,630 33	Dec. 33,091 98
	18,923 16	38,233 10	Inc. 19,309 94
Total.....	\$7,707,039 30	\$7,192,021 71	Dec. \$515,017 59
Balance applicable to Di- vidends.....	\$6,600,895 01	\$5,522,661 66	Dec. \$1,078,233 35
Dividends at 7 per cent...	4,260,788 00	4,260,788 00	
Surplus over Dividends for the year of the Gen- eral Income Account...	\$2,340,107 01	\$1,261,873 66	Dec. \$1,078,233 35
Surplus for the year of the Land and Trust Income Account.....	1,088,495 60	3,040,467 09	Inc. 1,951,971 49
Surplus for the year of Income used for Sinking Funds.....	442,000 00	476,488 78	Inc. 34,488 78
	\$3,870,602 61	\$4,778,829 53	Inc. \$908,226 92
Deficit for the year of U. S. Requirements and U. S. Sinking Fund Op- erations as compared with annual U. S. In- terest.....		111,752 91	Dec. 228,193 28
Surplus for the year of U. S. Requirements and U. S. Sinking Fund Op- erations as compared with annual U. S. In- terest.....	116,440 37		
Total amount added to Surplus for the year...	\$3,987,042 98	\$4,667,076 62	\$680,033 64

Land and Trust Income, 1883.

By net proceeds Union Pacific Railroad Land Grant, as per statement.....	\$2,526,866 78
By net proceeds Kansas Pacific Railway Land Grant, as per statement.....	948,418 65
By net proceeds other Lands and Lots.....	16,676 66
By income from Leased Lands.....	10,000 00
By income from Trust Investments: Bonds.....	155,710 00
	<hr/> \$3,657,167 09
Less amount paid by Trustees on account of Interest on Consolidated Bonds.....	616,700 00
	<hr/>
Leaving net Surplus for 1883.....	\$3,040,467 09
Balance, credit, as per Report for December 31, 1882....	2,674,221 53
	<hr/>
Balance, credit, December 31, 1883, as per General Balance Sheet.....	\$5,714,688 62

*Fund Relating to the Union Pacific Railroad Co.
Land Grant Bonds.*

Amount of Bonds issued	\$10,400,000 00
Cancelled to December 31, 1882.....	\$5,780,000 00
" in 1883.....	81,000 00
	<hr/>
Total cancelled to December 31, 1883....	5,811,000 00
	<hr/>
Amount of Bonds outstanding December 31, 1883.	\$4,589,000 00
Land and Town Lot Contracts of the Union Pacific Railroad Land Grant, outstanding December 31, 1883.....	\$5,177,980 71
Cash Balances, Trustee, December 31, 1883.....	2,002,103 61
	<hr/>
Total amount applicable to payment of Bonds.....	7,180,084 32
	<hr/>
Amount of Contracts on hand and Cash in hands of the Trustee in excess of amount required for payment of Bonds.....	\$2,591,084 32

*Statement of the Union Pacific Railroad Land
Grant for 1883.*

Sales, 1883.	Acres.	Average Price Per Acre for the Year.	Amount.
January	14,567.83		\$62,957.14
February	33,778.17		94,627.69
March	39,490.78		170,012.99
April	59,171.69		191,108.43
May	61,830.04		236,726.14
June	77,127.54		300,896.01
July	77,005.83		228,241.35
August	85,475.24		270,143.06
September	76,185.89		219,043.86
October	104,357.28		230,485.45
November	113,062.99		316,668.77
December	125,818.07		380,204.05
Totals for 1883	867,871.35	\$3.11	\$2,701,114.93
2,606 Purchasers, averaging 303 $\frac{1}{10}$ acres to each.			
Less cancelled in 1883	62,037.81		264,347.72
Net Sales	805,833.54		\$2,436,767.21
Sales of Town Lots			24,647.80
Interest on Land and Town Lot Contracts			241,740.94
Payments Forfeited on Cancelled Contracts			27,005.77
Receipts from other sources, Interest, etc.			28,968.92
Total proceeds			\$2,759,130.64
<i>Deduct Expenses :</i>			
General Expenses and Taxes, Lands and Lots.	\$117,624	71	
Discounts, Commissions, etc.	108,516	72	
Premium, Interest, etc., on 81 Union Division Land Grant Bonds redeemed	6,622	43	
			232,763.86
Net proceeds Union Pacific R. R. Land Grant			\$2,526,366.78

*Statement of the Kansas Pacific Railway Land
Grants for 1883.*

Sales, 1883.	Acres.	Average Price Per Acre for the Year.	Amount.
January	8,404.43		\$42,448 65
February	8,842.86		43,275 10
March	25,255.79		117,701 49
April	25,149.27		110,307 07
May	52,057.94		184,540 83
June	41,541.01		184,769 87
July	25,547.48		123,357 26
August	35,823.87		138,748 36
September	11,259.02		55,367 05
October	17,132.83		91,829 25
November	14,099.67		77,721 50
December	33,363.87		147,952 58
Totals for 1883	298,478.04	\$4 41½	\$1,380,019 01
1,208 Purchasers, averaging 247 acres to each.			
Less, cancelled in 1883	80,292.38		352,462 08
Net sales	218,185.71		\$965,556 93
Sales of Town Lots			12,486 00
Interest on Land and Town Lot Contracts			97,625 07
Payments forfeited on Cancelled Contracts			58,214 16
Receipts from other sources, Interest, &c.			1,870 31
Total proceeds			\$1,135,752 47
<i>Deduct Expenses :</i>			
General Expenses and Taxes, Lands and Lots.	\$78,858 66		
Discounts, Commissions, &c.	106,531 87		
Premium, Interest, &c., on 2 Cheyenne Branch Bonds and 16 Denver Extension Bonds re- deemed	1,948 29		187,338 82
Net proceeds Kansas Pacific Railway Land Grant			\$948,413 65

*Statement of Sales of Lands and Town Lots to
December 31, 1883.*

UNION PACIFIC R. R. LAND GRANT.

Net Sales, 2,775,410.02 acres for	\$11,171,846	42
Sales of Town Lots.....	410,563	48
Interest on Land and Town Lot Contracts.....	1,544,063	05
Forfeited on Cancelled Contracts.....	315,272	77
Other Receipts, Interest, &c.....	101,889	82
	<u>\$18,548,185</u>	<u>54</u>

Deduct Expenses paid by Trustees:

Discounts, Commissions, &c.....	\$392,643	87
Premiums on Land Grant Bonds Re- deemed.....	126,971	32
		<u>519,615,19</u>

Leaves the amount received by the Trustees, including contracts on hand.....\$18,023,520 35

Deduct Expenses paid by Company:

General Expenses and Taxes.....	2,189,498	95
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Net proceeds Union Pacific R. R. Land Grant to December 31, 1883.....\$10,834,021 40

KANSAS PACIFIC AND DENVER PACIFIC R'Y LAND GRANTS,

Net Sales, 1,886,208.06 acres.....	\$7,101,691	44
Sales of Town Lots.....	100,026	59
Interest on Land and Town Lot Contracts.....	806,606	75
Forfeited on Cancelled Contracts	291,326	57
Other Receipts, Interest, &c.....	12,197	02
	<u>\$8,311,848</u>	<u>37</u>

Deduct Expenses:

General Expenses....	\$873,380	06
Discount on Sales.....	693,619	10
Taxes.....	112,186	10
Interest and Premiums on Bonds Re- deemed.....	123,766	74
		<u>1,802,902 00</u>

Net proceeds of Kansas Pacific and Denver Pacific Land Grants, including contracts on hand.....\$6,508,946 37

Total Net Proceeds of all Lands, to Dec.
31, 1883.....\$17,342,967 77

Estimate of Unsold Lands on hand Dec. 31, 1883.

UNION PACIFIC R. R. LAND GRANT :

	ACRES.
In Nebraska, east of North Platte.....	895,000
" " west "	1,628,000
" Wyoming, Utah and Colorado.....	6,800,000
	<hr/> 8,323,000

KANSAS PACIFIC RAILWAY LAND GRANT :

In Kansas, east of 380 Mile Post.....	1,530,000
In Kansas, west of 380 Mile Post.....	3,588,000
	<hr/> 5,118,000
Total.....	<hr/> 18,441,000

Expenditures for Construction during Year 1883.

UNION DIVISION—

Blacksmith Shop at Evanston	\$411 48	
Shops at Grand Island.....	88 47	
Round House at North Platte.....	78	
New Car Shed at Omaha.....	2,510 87	
Eating House at Fremont.....	2,000 00	
Right of Way at Council Bluffs.....	760 09	
Services Right of Way Agent.....	632 97	
Land at Morgan City.....	160 00	
Real Estate in Council Bluffs.....	22,558 75	
Iron Wagon Bridge on Union Avenue, Council Bluffs.....	1,500 00	
		<u>\$30,568 21</u>

CREDIT.

By One Iron Turntable from Sherman turned over to Oregon Short Line.....	\$1,000 00	
By Old Logs from House at Weber, sold...	15 00	
" Sale of House at Council Bluffs.....	275 00	
		<u>1,290 00</u>
		<u>\$29,278 21</u>

KANSAS DIVISION—

Buildings, Yards, &c., at Denver.....	\$58,898 88	
Tools and Machinery at Armstrong.....	295 13	
" " Denver ..	276 12	
Right of Way.....	2,111 50	
Real Estate.....	12,565 00	
		<u>68,646 58</u>

LEAVENWORTH BRANCH—

Land at Leavenworth.....	2,952 85
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CHEYENNE DIVISION—

Depot at Eaton.....	\$375 08
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CREDIT.

By One Bolt Lathe transferred to shops D. S. P. & P. R. R.....	75 00	
		<u>300 08</u>

Total for 1883..... \$101,177 22

Expended to December 31, 1882, as per last
Annual Report..... 1,484,818 57

Amount Expended to December 31, 1883, as
per General Balance Sheet..... \$1,585,495 79

Expenditures for Equipment during Year 1883.

12 Locomotives from Taunton Locomotive Works, Nos. 262-273.....	\$176,000 00		
5 Coke Locomotives, Nos. 274-278.....	49,250 00		
Freight and fitting Locomotives.....	9,653 02		
1 Derrick Car.....	2,016 39		
1 Wrecking Car.....	898 68		
1 Snow Plow.....	962 30		
6 First Class Passenger Coaches, with Air Brakes and Baker Heaters, complete...	37,594 08		
1 Official Car, from Pullman's Palace Car Co.....	17,585 94		
2 Baggage Cars.....	6,293 70		
25 Fruit Cars.....	46,158 38		
Air Brakes on Engines.....	13,124 83		
Air Brakes on Cars.....	11,840 00		
Double Brakes on 200 Freight Cars.....	4,083 55		
Air Brakes on Engine 63.....	425 00		
Double Brakes on Freight Cars.....	318 96		
5 Coal Cars.....	2,688 74		
2 Snow Plows.....	1,095 58		
		\$379,939 10	
CREDIT.			
By Equipment sold:			
OREGON SHORT LINE.			
15 Locomotives.....	\$179,050 00		
2 Emigrant Coaches.....	5,100 00		
2 Baggage and Express Cars...	4,800 00		
1 Wrecking Car.....	500 30		
		\$189,450 30	
ECHO AND PARK CITY R. R.			
1 Emigrant Coach.....	2,500 00		
SALT LAKE AND WESTERN.			
1 Emigrant Coach.....	\$3,000 00		
1 Flat Car.....	443 00	3,443 00	195,393 30
Total for 1883.....			\$184,545 80
Expended to December 31, 1882, as per last Annual Report.....			1,950,192 98
Amount Expended to December 31, 1883, as per General Balance Sheet.....			\$2,134,738 78

UNION PACIFIC RAILWAY.

(Length of Road, 1820.9.)

PERFORMANCE OF LOCOMOTIVES.

Statement of Mileage, Cost of Supplies, and Average Cost per Mile Run for the Fiscal Year Ending December 31, 1883.

Mileage, Passenger.....	3,145,882
“ Freight.....	6,289,838
“ Road and Switching.....	3,018,044
Total	<u>12,448,764</u>

Cost of Fuel used.....	\$1,649,791 52
“ per Mile run.....	18 ³⁴ / ₁₀₀ cts.
“ of Lamp Oil used.....	10,270 82
“ per Mile run.....	1 ¹⁸ / ₁₀₀ cts.
Lubricating Oil used... ..	38,703 13
“ per Mile run.....	4 ¹⁰ / ₁₀₀ cts.
“ of Waste used.....	2,285 57
“ per Mile run.....	1 ¹⁸ / ₁₀₀ cts.
Lubricating Oil and Waste used.....	40,988 70
“ per Mile run.....	4 ⁸² / ₁₀₀ cts.
“ Engineers, Firemen and Wipers.....	804,986 80
“ per Mile run.....	6 ⁴⁴ / ₁₀₀ cts.
“ of Repairs, Engines and Tenders.....	841,632 63
“ per Mile run.....	6 ⁷⁴ / ₁₀₀ cts.

Total Cost.....	\$3,347,670 47
“ “ per Mile run.....	<u>26⁸²/₁₀₀ cts.</u>

Tons of Coal used.....	449,128
Number of Miles run to Ton of Coal used.....	27 ⁷¹ / ₁₀₀ miles.
Pints of Lamp Oil used.....	257,584
Miles run to Pint of Oil used.....	48 ⁸² / ₁₀₀ miles.
Pints of Lubricating Oil used.....	663,384
Number of Miles run to Pint of Oil used.....	18 ⁷⁴ / ₁₀₀ miles.
Pounds of Waste used.....	25,696
Number of Miles run to Pound of Waste used.....	<u>484⁴⁴/₁₀₀ miles.</u>

Statement of Train Statistics.

(Whole Road, 1820.9 Miles.)

PASSENGER TRAINS.

Number of Miles run by Passenger Trains.....	3,145,882
Average Distance run by each Passenger Train.....	359 miles.
Average Number of Passenger Trains run per day.....	24
Average Number of Passenger, Baggage, Express and Mail Cars hauled in each Passenger Train per mile.....	6
Total Passenger Car Mileage....	19,162,418
Average Number of Passengers carried on each Passenger Train for mile run.....	55 $\frac{3}{10}$ passengers.
Average Number of miles each Passenger was carried.....	125 $\frac{4}{10}$ miles.

FREIGHT TRAINS.

Number of Miles run by Freight Trains	6,289,888
Average Distance run by each Freight Train.....	538 miles.
Average Number of Freight Trains run per day.....	32
Average Number of Freight Cars hauled on each Freight Train	17 $\frac{4}{10}$
Total Freight Car Mileage.....	109,424,900
Average Number of tons of Freight hauled in each Freight Train per mile run.....	155 $\frac{3}{10}$ tons.
Average Number of Miles each ton of Freight was carried..	288 $\frac{4}{10}$ miles.

TRAIN EARNINGS AND EXPENSES.

Average Earnings per mile run by Passenger Trains.	\$1 94
“ “ Freight Trains.....	2 27
“ “ Passenger and Freight Trains.....	2 22 $\frac{1}{2}$
Average Cost, including taxes, of running above trains one mile	1 09 $\frac{7}{10}$
Average Surplus Earnings on each mile run by above trains,	1 12 $\frac{3}{10}$

EQUIPMENT.*Statement of Cars, December 31, 1883.*

	No.
Pullman.....	38
Coaches, First-Class.....	75
" Second-Class.....	26
" Emigrant.....	62
Mail.....	10
Mail and Baggage.....	8
Mail, Baggage and Express.....	4
Baggage.....	38
Express.....	18
Officers' Cars.....	7
Pay Cars.....	2
Total Passenger.....	288
Fruit Cars.....	25
Way and Caboose.....	189
Box Cars.....	3,824
Refrigerator.....	25
Flat Cars.....	619
Coal.....	1,083
" Dumps.....	55
" Hoppers.....	18
Stock.....	732
Stock Combination.....	167
Total Freight.....	6,787
Outfit Construction.....	20
Derrick Cars.....	9
Wrecking Tool Cars.....	12
Pile Drivers.....	6
Water and Tank.....	56
Plow and Scraper.....	40
Total Miscellaneous.....	143
Grand Total.....	7,168

Statement of Locomotives, December 31, 1883.

BROAD GAUGE—		No.
10-Wheel.....		97
8-Wheel.....		192
6-Wheel.....		1
Pony.....		6
Mogul.....		6
Consolidated.....		40
Total.....		342

*Classified Statement of Material on hand,
December 31, 1883.*

No.	ARTICLES.	QUANTITY.	VALUE.
1	Bar Iron and Nails.....	4,343,760 pounds,	\$140,739 08
2	Coal.....	43,161 $\frac{1}{2}$ tons,	201,708 26
3	Engine and Car Wheels.....	4,572 number,	50,068 00
4	Engine and Car Wheels, on Axles	1,007 pairs,	24,881 70
5	Engine and Car Axles.....	716,368 pounds,	22,552 80
6	Engine, Car and Road Castings...	2,149,081 "	71,600 64
7	Fence Wire, Fasteners, Tight- eners, etc.....	38,550 pounds,	2,800 70
8	Frogs and Switches.....		11,070 52
9	Iron, (worked and unworked.)...	1,756,346 pounds,	55,660 14
10	Lumber and Timber.....	13,666,681 feet,	465,658 46
11	Metals, (Brass, Copper, Lead, Tin, Zinc, etc.).....	412,726 pounds,	67,866 12
12	Oil, (Headlight, Lubricating, etc.)	162,474 gallons,	42,697 52
13	Paints, Oils and Glass.....		37,179 55
14	Piles.....	52,919 lineal ft.,	12,685 09
15	Posts.....	4,501 number,	1,355 17
16	Rails—New Iron.....	1,765 tons,	65,394 10
17	Rails—New Steel.....	798 "	38,134 81
18	Rails—Old Iron.....	8,095 "	184,846 72
19	Rails—Old Steel.....	405 $\frac{1}{2}$ "	11,003 03
20	Rubber Springs.....	11,294 pounds,	838 37
21	Scrap, (not including Rails.).....	2,538 tons,	27,420 29
22	Splices, Spikes, Bolts, Nuts, Nut Locks, etc.....	1,613,370 pounds,	85,617 51
23	Steel and Steel Springs.....	470,588 "	57,618 04
24	Stationery.....		39,554 77
25	Tallow.....	121,770 pounds,	10,529 67
26	Ties—Cross Ties.....	350,828 number,	149,561 07
27	Ties—Switch Ties.....	199,528 feet,	9,813 69
28	Tires, (Iron and Steel,).....	210,735 pounds,	15,930 18
29	Tools.....		31,872 87
30	Waste.....	70,915 pounds,	6,203 21
31	Wood.....	4,155 cords,	12,924 72
32	Material in course of manufacture and rolling stock in course of construction.....		127,578 36
33	Miscellaneous Material—Chains, fire-brick, flues, hardware, hair, hose, leather, lamps, locks, pipe, screws, sinks, tins, wire-netting, and other office, station, shop and road material.. ..		474,654 33

TOTAL, as per General Balance Sheet.....\$2,557,564 49

LARAMIE ROLLING MILL.
*Statement of Iron Rails Re-rolled, and Bar-Iron, Nuts, Bolts, Splices, and Mine-Rails
made during the year ending December 31st, 1883.*

MONTH.	IRON RAILS RE-ROLLED.				BAR-IRON Lbs.	NUTS,		BOLTS,		SPIKES,		MINE RAILS.
	58 lbs.		50 lbs.			Lbs.	Lbs.	Lbs.	Lbs.			
	Tons.	Lbs.	Tons.	Lbs.						Total.		
January.....	527	1,267	333	1,546	861	673	54,161	3,260	41,485	124,495	322,495	
February.....			753	803	753	803	85,928	785	30,125	133,905	414,340	
March.....	1,061	1,090	111	794	1,172	1,884	127,886	7,715	58,270	189,090	139,220	15,045
April.....	800	1,398	279	40	1,079	1,438	198,310	7,637	58,704	128,490	44,225	142,220
May.....	702	789	434	1,873	1,137	422	203,819		54,045	115,731	253,145	9,235
June.....	815	738			815	738	162,586	30	68,115	203,670	258,585	
July.....							238,375		55,270	150,325	294,325	
August.....							415,630		64,910	134,275	333,130	
September.....							336,427		67,740	137,870	361,810	
October.....							429,211		5,953	107,010	149,755	380,284
November.....							365,165		75,765	149,170	54,235	241,295
December.....							396,310		7,430	122,645	138,310	171,835
Totals.....	3,907	902	1,912	576	5,819	1,478	3,013,528	44,405	720,479	1,738,411	2,994,114	668,765

Statement of Production and Cost of Coal for 1883.

MINES.	TONS.	LBS.	PER TON.	COST.
Carbon.....	248,366	400	\$1 20½	\$298,710 38
Rock Spring.....	301,710	1,600	1 53	461,102 21
Almy.....	111,300	300	1 33	147,952 38
Grass Creek.....	47,219	300	2 14½	101,350 05
Twin Creeks.....	48,522	1,900	1 12½	54,571 86
Total for 1883.....	757,119	500	\$1 40½	\$1,063,686 88
Total for 1882.....	661,845	1,750	\$1 46	\$966,207 80
Increase.....	95,273	750	05½	97,478 58
Decrease.....				

*Statement of Private Coal Sales during the Year
Ending December 31, 1883.*

	TOTAL.		TOTAL AMOUNT RECEIVED.
	TONS.	LBS.	
Omaha.....	38,221	394	\$237,312 32
Papillion.....	594		3,716 95
Millard.....	230	1,600	1,434 90
Elkhorn.....	151	100	906 00
Waterloo.....	308	1,300	1,884 55
Valley.....	93	200	586 40
Stations on O. & R. V. R'y.....	19,920	900	119,363 69
Fremont.....	7,205	100	41,472 20
North Bend.....	1,710	400	9,898 75
Schuyler.....	3,734	1,000	21,508 97
Benton.....	122	1,200	774 80
Columbus.....	2,608	400	15,822 45
Stations on O. N. & B. H. R'y.....	11,992	400	71,484 28
Duncan.....	94	1,000	568 55
Silver Creek.....	372	700	2,256 15
Clarks.....	819	1,900	4,914 40
Central City.....	1,667	800	10,104 65
Chapmans.....	549	300	3,397 15
Grand Island.....	7,515	1,390	45,012 17
Stations on St. Joe. & W. R'y.....	9,722	100	57,042 25
Alda.....	222	500	1,292 55
Wood River.....	808	1,000	4,819 25
Shelton.....	1,087	1,200	6,352 35
Gibbon.....	1,318	300	7,691 15
Buda.....	27	1,000	165 00
Kearney.....	4,560	100	26,922 90
Elm Creek.....	505	1,200	3,047 20
Overton.....	82	200	486 60
Grothenburg.....	89	1,400	515 75
Plum Creek.....	1,701	1,500	10,254 50
Cozad.....	243	1,500	1,443 20
Willow Island.....	51	1,200	309 60
Maxwell.....	42	1,000	255 00
North Platte.....	3,525	200	21,412 55
Ogalalla.....	83	1,400	502 20
Stations on Julesburg Br.....	42	1,800	300 20
Sidney.....	660	700	4,034 35
Egbert.....	28	400	155 10
Cheyenne.....	9,050	1,000	48,865 64
Stations on Colorado Division.....	12,214	1,800	34,747 79
Denver.....	32,062	1,700	86,052 75
Tie Siding.....	14	400	78 10
Laramie.....	5,968	1,600	29,401 85
Wyoming.....	41	1,000	228 25
Rock Creek.....	158	700	870 92
Hillsdale.....	10		55 00
Ft. Steele.....	75	400	329 45
Rawlins.....	1,639	200	6,183 47
Bitter Creek.....	6	1,000	26 00
Rock Spring.....	13,321	600	33,953 91
Green River.....	765	1,400	3,064 80
Carried forward.....	198,043	484	\$983,278 96

Statement of Coal Sales—Continued.

	TOTAL.		TOTAL AMOUNT RECEIVED.
	TONS.	LBS.	
Brought forward.....	198,043	484	\$983,278 96
Granger.....	28	600	131 50.
Stations on O. S. L.....	1,529		3,105 25
Carter.....	39	1,000	183 80
Piedmont.....	15		60 00
Hilliard.....	11		66 00
Evanston.....	2,996	1,800	7,457 46
Echo.....	10	1,000	42 00
Stations on Echo and Park City R'y...	6,161	600	28,370 42
Weber.....	380	400	1,628 27
Uintah.....	39	800	177 57
Ogden.....	8,740	200	39,901 90
Stations on U. & N. R'y.....	12,443	1,800	25,011 25
Stations on Salt Lake & W. R'y.....	3,589		7,178 00
Stations on U. D. from E. & L. mines..	11,133	1,300	47,196 04
Kansas City.....	198	700	1,190 10
Stations bet. Wyandotte & J. City.....	853	800	5,119 00
Stations on Junction City Br.....	791	1,800	4,719 20
Abilene.....	606	200	3,497 30
Solomon.....	398	800	2,286 00
Stations on Solomon Br.....	1,318	100	6,952 60
Salina.....	3,501	1,100	18,292 25
Stations on McPherson Br.....	4,011	900	21,956 50
Bavaria.....	320	1,600	1,646 30
Brookville.....	810	1,800	4,246 70
Ellsworth.....	1,373		7,071 30
Wilson.....	262	1,600	1,327 60
Dorrance.....	150	1,600	754 00
Bunker Hill.....	327	1,600	1,639 00
Russell.....	985	1,200	5,076 00
Gorham.....	59	1,600	305 50
Walker.....	75	600	383 00
Victoria.....	27	600	163 80
Hays.....	820	1,400	4,474 10
Ellis.....	596	300	3,296 50
Ogallah.....	13	1,800	83 40
Wa Keeny.....	265	1,600	1,472 15
Collyer.....	59	1,600	321 60
Buffalo Park.....	48	800	242 00
Grainfield and Deer Trail.....	28		168 00
Stations on K. D. fm. E. & L. mines..	2,099	500	7,633 80
	265,118	1,584	\$1,248,106 12
Coal taken from the following mines:			
Carbon.....	23,525	300	\$117,777 30
Rock Spring.....	169,468	184	902,626 14
Almy.....	11,796	1,700	39,286 09
Grass Creek.....	7,094	1,900	30,062 68
Twin Creeks.....	196	500	439 75
Erie.....	13,856	1,900	43,770 41
Louisville.....	39,175	1,100	114,143 75
Total.....	265,118	1,584	\$1,248,106 12

CLASSIFICATION OF MONTHLY EARNINGS FOR YEAR 1883.

MONTH.	PASSENGER.	FREIGHT.	MAIL.	EXPRESS.	MISCELLANEOUS.	TOTAL.
January.....	\$272,303 60	\$1,024,200 30	\$61,484 80	\$36,276 95	\$28,988 92	\$1,423,254 57
February.....	229,848 37	867,195 12	61,484 81	24,069 35	31,555 28	1,213,652 93
March.....	314,174 20	1,327,167 23	61,524 81	50,106 28	38,631 77	1,791,606 29
April	457,559 78	1,142,580 21	61,484 80	49,209 22	32,088 60	1,742,922 61
May.....	467,042 28	1,097,772 04	61,880 98	49,257 89	31,105 38	1,706,558 57
June.....	457,901 23	1,021,945 74	61,484 81	53,384 84	72,562 98	1,667,279 05
July.....	449,772 16	1,186,804 88	61,514 04	70,357 54	84,243 69	1,852,782 26
August.....	395,742 69	1,219,684 71	61,484 81	80,483 83	45,105 98	1,802,452 02
September.....	502,799 31	1,442,667 97	61,484 81	73,643 31	32,106 84	2,112,702 24
October.....	414,070 74	1,527,811 09	62,081 81	75,546 57	42,286 07	2,131,686 28
November.....	367,121 38	1,366,206 29	61,470 52	68,054 89	30,526 28	1,891,379 36
December.....	331,280 42	1,044,215 78	62,802 19	76,869 79	161,587 42	1,676,255 60
Total.....	\$4,659,116 16	\$14,268,291 81	\$739,133 19	\$705,281 96	\$630,739 16	\$21,002,541 78

CLASSIFICATION OF OPERATING EXPENSES FOR YEAR 1883.

MONTH.	CONDUCTING TRANSPORTATION.	MOTIVE POWER	MAINTENANCE OF CARS.	MAINTENANCE OF WAY.	RENEWAL OF RAILS.	GENERAL EXPENSES.	TAXES.	TOTAL.
January..	\$179,688 73	\$303,168 62	\$70,229 83	\$90,597 92	\$12,725 78	\$42,491 95		\$673,431 27
February.	181,138 82	289,464 83	69,519 09	84,724 64	19,898 22	39,614 79	\$14,392 98	658,956 93
March....	191,948 69	304,125 45	76,909 94	130,305 72	8,408 24	50,273 68	651 96	745,807 20
April.....	182,442 12	288,574 64	66,843 27	160,494 79	10,336 04	43,517 10	195,248 99	926,784 87
May.....	208,251 49	266,069 83	60,277 56	178,501 42	29,566 24	64,859 91	110 24	807,636 69
June.....	208,118 89	288,738 85	64,217 00	167,622 78	19,302 68	38,543 07	3,954 92	785,498 19
July.....	212,693 20	311,896 45	63,341 20	169,143 33	21,725 93	42,812 89	2,251 06	823,864 06
August...	232,509 12	341,373 59	67,304 06	170,658 04	56,935 42	36,811 89	2,294 94	907,887 06
Septemb'r	246,674 20	335,775 38	69,563 25	186,372 47	87,653 98	35,123 95	2,502 20	963,665 43
October ..	259,681 49	340,060 90	77,867 15	180,076 51	44,414 46	52,509 33	96,785 08	1,051,394 92
November	249,936 03	358,672 35	80,150 65	191,445 15	31,280 67	40,969 22	114,391 19	1,066,845 26
December.	243,167 60	355,423 70	81,839 73	186,019 08	9,604 18	44,157 09	72,557 24	942,768 62
Total...	\$2,596,280 38	\$3,778,344 59	\$848,062 73	\$1,845,961 85	\$249,115 28	\$531,684 87	\$505,140 80	\$10,354,540 50

*Comparative Statement of Operating Expenses for
Years 1882, 1883.*

	1882.	1883.
CONDUCTING TRANSPORTATION—		
Superintendence, Dispatchers and Clerks.	\$76,700 17	\$78,477 61
Station Service	761,057 03	821,982 93
Station Expenses	98,771 70	95,687 43
Station Repairs and Furniture.....	72,881 69	102,726 84
Repairs of Tenement Houses and Hotels.	10,099 51	41,861 87
Train Service.....	581,900 58	568,952 06
Train Expenses	242,424 00	289,587 84
Advertising	92,902 81	124,066 03
Books, Printing and Stationery	85,490 27	68,934 90
Telegraphic Expenses.....	6,160 88	8,625 18
Loss and Damage.....	123,295 15	119,191 33
Foreign Agencies.....	20,510 03	101,062 05
Use of Cars	176,309 19	150,312 51
Incidentals.....	43,995 71	24,760 80
Total.....	\$2,392,498 72	\$2,596,230 38
MOTIVE POWER—		
Superintendence and Clerks.....	\$17,531 49	\$7,039 87
Locomotive Service.....	796,084 67	804,986 80
Fuel and Water—Expenses and Repairs.	237,559 16	194,672 02
Fuel for Locomotives.....	1,623,141 71	1,649,791 52
Oil, Tallow and Waste.....	46,239 45	51,259 52
Repairs of Locomotives.....	798,539 97	883,281 87
Repairs of Shops and Machinery.....	197,591 42	121,084 95
Fuel for Engine Houses and Mach. Shops.	52,021 80	63,814 69
Incidentals.....	7,178 80	2,413 35
Total.....	\$3,775,888 47	\$3,778,844 59
MAINTENANCE OF CARS—		
Superintendence and Clerks.....	\$8,915 87	\$4,700 22
Repairing Cars.....	869,215 81	761,323 79
Repairs, Car Shops and Sheds.....	47,268 99	41,276 34
Watchmen and Incidentals.....	32,542 77	40,762 38
Total.....	\$957,943 44	\$848,062 73
MAINTENANCE OF WAY—		
Superintendence and Supervision.....	\$42,344 08	\$41,417 45
Repairs of Track.....	994,205 32	1,016,323 05
Expenses of Removing Snow, Ice, etc...	28,399 95	38,164 65
Renewal of Rails.....	556,143 66	249,115 28
Renewal of Ties.....	490,352 05	370,753 55
Repairs of Bridges, etc.....	401,434 26	224,936 36
Repairs of Fences, Crossings and Guards.	51,395 67	85,009 07
Repairs of Telegraph.....	20,585 13	21,256 27
Engineering.....	37,666 75	26,490 86
Protection of River Banks.....	2,495 60	3,263 08
Wrecking.....	1,343 09	12,409 41
Incidentals.....	12,270 58	5,938 10
Total.....	\$2,638,635 14	\$2,095,077 13
GENERAL EXPENSES—		
Taxes.....	\$487,786 54	\$505,140 80
General Expenses.....	474,296 97	531,684 87
Total.....	\$962,083 51	\$1,036,825 67
Grand Total.....	\$10,727,049 28	\$10,354,540 50

Statement Showing Renewals of Track During Year 1883.

BETWEEN	Steel Rails.	Iron.	CROSS TIES.			
	No. Tons.	No. Tons.	Oak.	Cedar.	Pine.	Total.
Council Bluffs and Cheyenne	553	596	69,639	156,774		226,413
Cheyenne and Ogden	523	330	61		178,854	178,915
Kansas City and Brookville	33	678	63,682			63,682
Brookville and Wallace	3,102	13	43,520			43,520
Wallace and Denver	3,034	206	43,874			43,874
Leavenworth and South Lawrence..		160	7,340			7,340
Denver and Cheyenne.....	1,992	236	538		48,362	48,890
Total.....	9,237	2,221	228,144	156,774	227,216	612,134

Comparative Statement of Passenger Earnings for Years 1882 and 1883.

MONTH.	1882.	1883.	INCREASE.	DECREASE.
January.....	\$297,572 24	\$272,303 60		\$25,268 64
February.....	306,958 12	239,848 87		77,609 75
March.....	477,720 28	314,174 20		168,546 08
April.....	484,795 75	457,559 78		27,235 97
May.....	348,198 54	467,043 28	\$118,843 74	
June.....	584,171 08	457,901 28		76,269 85
July.....	507,876 31	449,772 16		57,604 15
August.....	440,442 26	385,743 69		44,699 57
September.....	553,095 51	502,799 81		50,296 20
October.....	491,418 23	414,070 74		77,947 49
November.....	404,296 23	367,121 88		37,174 84
December.....	351,685 47	381,280 42		20,405 05
TOTAL.....	\$5,197,730 01	\$4,659,116 16		\$538,613 85

Commercial business decreased.....	\$508,995 44
Government ".....	29,618 41
Total ".....	<u>\$538,613 85</u>

Statement of Through and Way Passenger Earnings for the Year 1883.

MONTH.	TOTAL EARNINGS.	THROUGH EARNINGS.		WAY EARNINGS.	
		East.	West.	East.	West.
January	\$272,303 60	\$68,780 40	\$67,522 70	\$64,125 84	\$71,374 66
February	229,848 37	45,493 26	62,495 53	55,400 15	65,959 43
March	314,174 20	49,768 76	87,474 03	68,400 21	108,531 21
April	457,559 78	79,780 60	169,685 63	77,589 53	130,504 02
May	467,042 28	97,691 88	174,077 71	78,442 02	116,830 67
June	457,901 23	100,094 91	176,041 39	78,591 29	103,173 64
July	449,772 16	98,294 86	142,104 90	96,458 50	112,913 90
August	395,742 69	81,754 36	114,879 55	98,457 93	105,650 85
September	502,799 31	107,189 27	140,643 69	129,399 27	125,567 08
October	414,070 74	81,192 81	99,782 03	119,941 49	113,154 41
November	367,121 38	64,688 13	108,943 66	96,631 36	97,468 23
December	331,280 42	55,141 79	93,964 70	94,308 18	87,865 75
TOTAL	\$4,659,116 16	\$929,271 02	\$1,437,615 52	\$1,052,735 77	\$1,239,493 85
" 1882	5,197,769 96	1,198,518 30	1,638,517 74	1,064,009 97	1,296,723 95
INCREASE					
DECREASE					
	\$538,653 80	\$269,247 28	\$200,902 22	\$11,274 20	\$57,230 10

Comparative Statement of Freight Earnings for the years 1882 and 1883.

MONTH.	1882.	1883.	INCREASE.	DECREASE.
January.....	\$1,216,353 93	\$1,024,200 80		\$192,153 63
February.....	939,930 01	867,195 12		72,734 89
March.....	1,180,059 02	1,327,167 23	\$147,108 21	
April.....	1,142,506 49	1,142,580 21	73 72	
May.....	1,366,333 51	1,097,772 04		268,561 47
June.....	1,193,693 15	1,021,945 74		171,747 41
July.....	1,020,263 91	1,186,884 83	166,625 92	
August.....	1,430,987 76	1,219,694 71		211,303 05
September.....	1,672,570 12	1,442,667 97		229,902 15
October.....	1,630,407 11	1,527,811 09		102,596 02
November.....	1,438,293 52	1,366,206 29		72,087 23
December.....	1,170,813 79	1,044,215 78		126,598 01
Total	\$15,402,167 37	\$14,268,291 31		\$1,133,876 06

Commercial Business decreased.....	\$947,259 43
Government	18,690 14
Company	167,926 49
Total	\$1,133,876 06

Comparative Statement of Freight Earnings, sub-divided as below, for the years 1883 and 1882.

1883.	LOCAL.		THROUGH.		PACIFIC COAST.		COAL.		TOTAL.
	East.	West.	East.	West.	East.	West.	East.	West.	
January...	\$238,510 24	\$269,872 22	\$77,794 69	\$84,890 80	\$32,523 13	\$123,054 35	\$97,347 33	\$5,821 40	\$899,814 16
February...	208,463 63	238,608 69	43,918 51	88,128 40	40,974 25	114,868 71	55,844 57	2,466 25	788,273 03
March.....	279,946 91	335,043 17	82,232 47	160,890 36	45,046 48	226,798 29	32,957 39	2,882 47	1,214,227 54
April.....	176,318 77	394,953 60	56,243 90	115,053 27	41,961 53	221,145 74	30,853 77	2,802 18	1,039,332 76
May.....	189,125 29	408,581 79	50,065 29	101,275 33	41,639 74	176,208 27	31,442 32	2,295 24	1,000,633 27
June.....	196,752 98	350,586 75	55,891 35	84,273 00	78,462 50	137,076 73	27,985 73	1,218 20	892,247 24
July.....	274,551 23	387,753 26	80,877 05	87,534 23	74,398 84	144,057 99	36,648 33	1,084 02	1,087,504 95
August....	292,838 14	374,120 98	53,499 78	117,507 01	93,979 66	154,576 64	27,788 43	795 82	1,115,106 46
September.	519,239 79	416,674 55	53,615 66	96,376 02	98,903 37	100,305 27	40,245 37	1,573 07	1,827,013 10
October....	457,475 50	472,574 88	67,150 43	121,833 44	103,204 27	119,441 73	58,304 69	3,238 38	1,403,223 32
November..	361,469 39	332,371 11	81,476 21	97,533 74	63,849 91	136,717 03	92,461 37	2,798 40	1,218,677 16
December..	276,735 10	292,783 73	48,270 41	48,161 64	42,380 66	100,732 38	101,304 15	3,219 00	913,487 07
Total, 1883.	\$3,466,446 97	\$4,373,924 73	\$751,025 75	\$1,203,457 24	\$757,924 36	\$1,754,583 13	\$602,433 45	\$29,694 43	\$12,939,540 06
Total, 1882.	2,396,274 35	4,201,946 97	1,037,399 02	2,895,708 77	843,041 72	1,903,431 54	507,050 38	120,576 88	13,905,489 63
Increase....	\$1,070,172 62	\$1,171,977 76	\$286,373 27	\$1,692,311 53	\$85,117 36	\$148,848 41	\$55,433 07	\$90,882 45	\$965,949 57
Decrease...									

*Comparative Statement showing the rate per ton per mile of Freight carried during
the years 1883 and 1882.*

	1883.			1882.			INCREASE.		DECREASE.	
	INCLUDING COAL.	EXCLUDING COAL.		INCLUDING COAL.	EXCLUDING COAL.		INCLUDING COAL.	EXCLUDING COAL.	INCLUDING COAL.	EXCLUDING COAL.
LOCAL—										
Eastbound....	\$1 44	\$1 99		\$1 52	\$2 07				\$0 08	
Westbound...	2 88	2 88		3 10	3 14				0 22	0 26
Average.....	1 94	2 40		2 19	2 64				0 25	0 24
THROUGH—										
Eastbound...		1 43			1 69					0 26
Westbound...		1 73			2 68					0 95
Average.....		1 60			2 33					0 73
PACIFIC COAST—										
Eastbound....		1 35			1 30			\$0 05		
Westbound...		1 32			1 12			0 20		
Average.....		1 33			1 17			0 16		
TOTAL—										
Eastbound....	1 43	1 76		1 51	1 77				0 08	0 01
Westbound...	2 07	2 07		2 19	2 14				0 12	0 07
Average.....	1 73	1 93		1 89	2 03				0 16	0 10

Statement of Through and Way Passenger Statistics for the Year 1883.

MONTH.	THROUGH PASSENGERS.				WAY PASSENGERS.				TOTAL PASSENGERS.	TOTAL ONE MILE.
	East.	One Mile.	West.	One Mile.	East.	One Mile.	West.	One Mile.		
January.....	3,315½	1,907,484	3,459	2,229,072	25,593½	1,722,352	25,157½	1,721,480	57,525½	7,670,388
February.....	2,794	1,499,599	3,222	2,130,701	24,598	1,493,025	25,722½	1,775,998	56,326½	6,889,323
March.....	3,447½	1,580,586	4,572½	3,079,068	33,088½	1,777,486	37,369	2,996,129	78,057½	9,433,269
April.....	4,746	2,431,589	7,243½	5,577,364	31,467½	1,996,527	38,323½	3,580,189	81,780½	13,585,669
May.....	5,142	3,199,119	7,782	5,982,092	37,634½	2,152,590	34,966½	3,332,739	85,525	14,616,540
June.....	4,937½	2,988,581	7,840	5,785,453	38,644	2,355,892	46,631	3,054,566	98,052½	14,184,492
July.....	5,729½	3,493,229	7,050½	4,850,862	79,773	2,910,565	78,181½	3,450,554	170,734½	14,705,210
August.....	7,160	3,545,333	6,731	4,478,934	46,750	3,236,440	48,372	3,590,458	109,018	14,851,165
September....	7,558	3,970,256	8,058	4,478,378	64,338	4,181,796	65,680½	4,070,737	145,634½	16,701,217
October.....	6,105	2,993,447	6,978½	3,958,733	50,369½	3,342,171	51,597½	3,104,644	115,050½	13,898,985
November....	4,219	2,372,096	5,817½	3,960,007	41,823	2,783,161	43,652	2,794,867	95,511½	11,910,131
December....	3,824	2,031,457	5,262	3,476,920	42,341½	2,839,727	41,345	2,669,346	92,772½	11,017,450
TOTAL.....	58,978	32,092,776	74,016½	49,937,574	515,991	80,791,732	536,998½	36,141,757	1,185,984	148,963,839
" 1882..	61,876½	36,552,339	84,296½	56,106,831	395,691½	28,551,272	439,655	36,316,894	981,419½	157,527,336
INCREASE....	2,891½	4,459,563	10,280	6,169,237	120,399½	2,240,460	97,343½	175,137	204,564½	8,563,497
DECREASE....										

*Comparative Statement of the Number of Tons of Freight carried One Mile, during the Years
1883 and 1882.*

1883.	LOCAL.		THROUGH.		PACIFIC COAST.		OTAL.
	East.	West.	East.	West.	East.	West.	
January	10,112,225	9,197,591	5,068,240	4,507,262	3,068,830	10,208,047	43,156,685
February	10,352,454	8,747,282	3,508,757	3,875,668	3,098,123	9,087,305	38,619,539
March	12,949,003	13,885,371	4,968,905	6,559,264	8,324,478	14,135,499	55,822,520
April	7,308,184	13,152,566	3,426,393	6,353,662	2,801,039	15,196,747	47,237,591
May	8,807,392	12,988,251	3,059,069	4,172,989	3,262,255	13,070,170	45,359,116
June	9,451,693	11,271,495	3,538,704	3,977,374	5,111,783	10,261,602	43,612,656
July	10,865,541	12,871,844	5,215,372	6,166,994	5,401,168	10,756,401	50,297,320
August	19,719,153	14,058,895	8,389,096	6,380,856	6,745,860	10,418,015	60,712,465
September	23,632,898	13,795,675	4,303,814	5,988,053	7,217,959	8,382,050	62,320,248
October	25,784,597	15,764,731	5,241,394	6,757,045	7,815,878	10,293,756	71,657,401
November	18,070,008	13,910,045	5,966,917	10,227,568	4,713,863	11,882,727	64,771,728
December	18,114,911	12,205,431	4,669,006	6,699,761	3,477,479	8,912,044	54,078,632
Total	174,188,044	151,849,727	52,354,057	69,666,496	56,063,215	132,554,372	638,645,911
Add Coal Sold	108,310,018	1,033,086					109,343,104
Total, 1883	282,498,062	152,882,813	52,354,057	69,666,496	56,063,215	132,554,372	745,989,015
Total, 1882	190,567,639	139,374,040	61,099,652	108,001,123	64,931,634	168,816,916	732,791,054
Increase	91,930,373	13,508,773	8,745,595	38,334,627	8,898,419	36,202,544	13,197,961
Decrease							

*Comparative Statement of Classified Freight, in
pounds, forwarded during the Years 1883
and 1882.*

ARTICLES.	1883.	1882.
MINERAL PRODUCTS—	POUNDS.	POUNDS.
Coal.....	814,197,975	699,920,950
Stone and Brick.....	88,489,535	41,523,240
Cement, Plaster and Lime.....	49,456,905	26,989,245
Salt.....	38,843,905	32,978,135
Metallic Ores.....	150,970,665	42,303,450
Other and Coke.....	70,295,185	133,340,675
AGRICULTURAL PRODUCTS—		
Wheat.....	469,727,035	404,266,475
Corn.....	782,224,985	537,621,010
Oats and Barley.....	95,010,365	76,957,470
Rye, Flax Seed, &c.....	33,975,845	18,421,350
Hay.....	59,041,310	66,749,000
Potatoes and Vegetables.....	57,198,000	55,803,705
GROCERIES—		
Canned Goods.....	46,167,890	48,755,665
Soap and Candles.....	12,621,335	12,948,705
Sugar, Syrup, &c.....	56,301,715	51,176,450
Tea.....	24,606,990	23,350,980
Coffee.....	6,575,220	7,878,530
Other.....	58,171,100	58,848,165
HARDWARE AND METALS—		
Hardware.....	65,965,660	54,421,790
Nails.....	23,575,105	19,194,915
Stoves.....	17,904,345	17,568,225
Steel Rails.....	703,285	23,320,045
Bar Iron, &c.....	12,181,665	12,044,815
Other Iron.....	43,322,920	57,110,570
Steel, Copper, &c.....	7,698,080	5,487,485
Tin and Quicksilver.....	3,823,855	4,575,460
Lead.....	39,695,590	27,043,580
Bullion.....	137,591,785	115,769,410
Matte and Tailings.....	26,971,045	18,464,380
LEATHER AND RUBBER—		
Boots and Shoes.....	7,759,170	9,812,345
Leather and Leather Goods.....	4,405,895	6,022,520
Rubber Goods.....	2,146,660	3,302,585
HIDES, WOOL, &c.—		
Hides, Pelts, &c.....	10,873,715	11,558,295
Furs.....	584,060	657,655
Wool.....	30,301,360	31,253,000
LIVE STOCK—		
Cattle.....	262,445,900	231,712,295
Hogs.....	109,412,135	73,287,320
Horses and Mules.....	19,310,980	17,029,495
Sheep.....	28,345,390	20,244,380

LIQUORS—

Whiskey, Spirits, &c.....	16,706,410	19,115,150
Wine and Brandy.....	8,179,495	8,969,800
Beer, Ale and Porter.....	20,595,240	19,686,140

MILITARY AND NAVAL STORES—

Powder, Cartridges, &c.....	3,784,685	3,605,525
Tar and Pitch.....	1,551,925	2,419,225
Rope and Cordage.....	4,206,595	5,504,855

PROVISIONS—

Hog Products.....	44,609,690	34,771,140
Beef.....	2,003,275	952,545
Fish and Game.....	10,284,285	12,616,250
Poultry.....	129,280	242,010
Butter, Eggs and Cheese.....	10,358,410	9,660,400

WOOD AND MANUFACTURES OF WOOD—

Agricultural Implements.....	46,996,235	40,073,510
Vehicles.....	40,525,925	42,195,210
Lumber, Timber, &c.....	529,930,540	446,878,620
Shingles, Lath and Staves.....	17,153,230	13,639,695
Wood.....	10,920,325	14,173,840
Charcoal.....	1,281,320	3,346,200
Manufactured Wood.....	11,557,810	13,502,915
Wood in Shape.....	5,757,515	6,895,855
Barrels and Casks.....	6,381,200	5,564,605

MISCELLANEOUS—

Drugs and Borax.....	13,990,865	15,918,290
Oil.....	57,647,640	70,450,260
Paint and Varnish.....	5,992,530	6,932,760
Window Glass.....	3,652,540	4,335,300
Glassware and Crockery.....	17,502,960	21,751,105
Dry Goods.....	38,431,325	70,005,725
Silk.....	3,463,820	2,638,140
Fancy Goods.....	2,927,089	4,191,030
Hats and Millinery Goods.....	1,928,650	2,601,645
Green Fruit.....	35,148,190	31,291,305
Dried Fruit and Nuts.....	10,985,650	11,724,585
Flour.....	99,714,295	69,361,625
Meal, Feed, &c.....	31,527,115	24,248,150
Furniture and H. H. Goods.....	46,871,310	51,118,815
Emigrant movables.....	32,432,740	17,409,290
Machinery.....	34,373,470	36,632,955
R. R. Material.....	6,071,975	9,382,680
R. R. Vehicles.....	11,825,885	13,038,965
Musical Instruments.....	3,991,600	4,169,890
Paper.....	19,480,620	24,366,635
Books and Stationery.....	4,360,785	5,150,405
Tobacco.....	9,899,110	15,468,765
Cigars and Pipes.....	1,645,450	2,396,470
Trees, Shrubbery, &c.....	3,080,540	3,241,565
Bones.....	3,741,245	2,644,850
Merchandise.....	71,489,260	41,432,700
Miscellaneous.....	32,589,395	37,840,905

Total.....	5,166,573,995	4,203,271,065
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Increase.....	963,302,930	
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REPORT
OF THE
GOVERNMENT DIRECTORS
OF THE
Union Pacific Railway Company,
MADE TO
SECRETARY OF THE INTERIOR.

1883.

NEW YORK:
RUFUS ADAMS & CO.,
STATIONERS AND PRINTERS,
167 BROADWAY.

UNION PACIFIC RAILWAY COMPANY, GOVERNMENT DIRECTORS' REPORT.

MESSAGE

FROM THE

PRESIDENT OF THE UNITED STATES,

TRANSMITTING

A communication from the Secretary of the Interior, accompanying last annual report of the Government Directors of the Union Pacific Railway Company.

FEBRUARY 7, 1884.—Referred to the Committee on Pacific Railroads and ordered to be printed.

To the Senate and House of Representatives :

I transmit herewith, for the consideration of Congress, a communication, under date of the 2d instant, from the Secretary of the Interior, and the accompanying last annual report of the Government Directors of the Union Pacific Railway Company.

CHESTER A. ARTHUR.

EXECUTIVE MANSION, *February 6, 1884.*

DEPARTMENT OF THE INTERIOR,
Washington, February 2, 1884.

SIR: I have the honor to submit herewith, for transmission to Congress, the last annual report, without date, of the Government Directors of the Union Pacific Railway Company.

Very respectfully,

H. M. TELLER,
Secretary.

The PRESIDENT.

To the Honorable Secretary of the Interior :

In our last annual report we had occasion to refer to certain misapprehensions existing in the minds of some of the officers of the Union Pacific Railway Company concerning the functions of the Government Directors, it being their opinion that the powers and duties formerly intrusted to the Government Directors had been conferred upon the Commissioner of Railroads by the law creating that office, and that the

former were accordingly left without either duties or powers. These misapprehensions were speedily removed, however, and we had the satisfaction of reporting to the Department that, after some little delay growing out of them at the beginning of our official labors, we were granted all the facilities possible for the performance of our work, and were assisted therein by the cordial co-operation of the Company's officers.

Having corrected the erroneous impression of the managers, that we hold a merely honorary position without duties or powers, we find ourselves confronted by a misapprehension of precisely the opposite character, on the part of sundry persons claiming to have an interest in the company's affairs, as holders of its stock or bonds or as general creditors. Among these we find a disposition to enlarge our duties and magnify our powers and responsibilities. In illustration of this we may refer to a memorial addressed to the Department of the Interior on the 14th of March last, immediately after the publication of our report, a copy of which was furnished us by sundry persons representing the bondholders of the Kansas Pacific Railway Company and Denver Pacific Railway and Telegraph Company, both of which companies now form a part of the Union Pacific Railway Company under the consolidation of January 24, 1880.

The memorialists, after setting forth their complaint that the Union Pacific Railway Company, by the act of consolidation, by refusing to make a statement in full of divisional earnings and in various other ways, had wrongfully deprived them of their rights as bondholders of the companies named, and stating that, although the courts are open to them practically, the delays, annoyances, and cost attendant upon litigation constitute a denial of redress, proceed to define the duties of the Government Directors, which they say are "alike to represent and protect the interests of the Government proper, but none the less to conserve the general public interest, treating the entity of the Government as but in the highest sense the whole body of the people, whether as bondholders, stockholders, passengers, shippers of freight, or those in anywise interested in the wise, proper, and honest administration of the company's affairs." It is then assumed, although credit is given us for "having made an effort to elicit some information from the Union Pacific Company as to its financial condition," and for having brought out some facts and statistics that had never before seen the light, that our "effort was far from successful," and that upon the whole we have fallen short in the discharge of our official duties, and the memorialists ask the co-operation of the Department "in at least calling upon the Government Directors to extract from this unwilling and obstreperous corporation the information and recognition to which we (the memorialists) are entitled."

It is not necessary that we should follow the memorialists in their recital of the history of the corporation from the inception of the original enterprise, or that we should concern ourselves with what are called "the scandals" of its management. If the originators of the enterprise, after having conquered by their energy and persistence obstacles that seemed insuperable, were pursued with obloquy and reproach, it is not the first time that the discoverer or inventor has experienced such returns from the beneficiaries of his foresight, faith, and courage. It is quite possible, too, that in the transactions of the company prior to the consolidation of January 24, 1880, all its business was not carried on upon the basis of the heroic virtues. Unfortunately, that very little of the world's business is.

We have not, however, conceived it to be any part of our duty to investigate the antecedents of the present corporation, or question the legality and binding force of acts which have already been passed upon by the proper tribunals.

In justice to the gentlemen concerned in the present management of the company, it is only fair to say, that we have observed nothing in our connection with them to warrant the charge of obstreperousness or unwillingness to communicate information. A certain degree of reticence is observed in the management of all business affairs, great and small, by those who have them in charge. In the conduct of affairs of such magnitude, involving extensive combinations and many times business relations of a delicate nature with other companies, it frequently happens that the success of important transactions may be jeopardized by premature publicity. This is wisely guarded against in most corporations by intrusting the administration to an executive committee composed of those directors who have the leisure for such duties and the capacity to discharge them, their own pecuniary interest in the enterprise being the guarantee of their good faith, and an assurance that they will act in all matters for the interest of the stockholders. This has been the practice in the Union Pacific Railway Company. The administration of its affairs has been practically conducted by an executive committee of five members of the board of directors, one of whom, under the charter, must be a Government Director.

The wisdom of this arrangement does not need to be pointed out to any one at all familiar with the management of great corporations. In the present case it would not be surprising, considering the fact that one member of the executive committee is an appointee of the Government, without any personal pecuniary interest, and not having the inducement naturally created by such an interest to maintain a prudent reserve, if in affairs of considerable moment he should be to some extent ignored, and important negotiations should be begun and carried on without consultation with him and even without his knowledge. Recognizing this natural tendency on the part of a board of direction constituted like that of the Union Pacific Railway Company, and believing it to be our duty, as representatives of the Government in the direction, to acquaint ourselves with the details of the management, as far as possible, through our representative in the executive committee, we have insisted that he should have ample notice of all meetings of the committee and a full knowledge of all its transactions. Except, perhaps, in a single instance, our wishes in this regard have been fully complied with, and even in this we are not prepared to say that it was seriously attempted to withhold from our representative in the committee knowledge of the pending transaction or to consummate it without consulting him.

The instance referred to was in the proposed ratification of a contract in the nature of a tripartite alliance with the Chicago and Rock Island and Chicago, Milwaukee and Saint Paul Railroad Companies concerning through business, which will be hereafter more fully set forth. This was by far the most important transaction of the year.

The ruinous competition on through traffic to which the company has been subjected by rival roads, which practically paralleled the main line of the Union Pacific from Omaha to Ogden, cutting rates to ruinous figures between these points, while dividing under a pooling arrangement with the Iowa roads the profitable traffic between Omaha and Chicago, forced the Union Pacific to enter into an alliance, offensive and defensive, with such other roads as would practically extend its line to Chicago,

and give it a fighting chance against its rivals. The negotiations leading up to such an arrangement were intrusted to General Manager Clark, whose long experience, well-known ability, and thorough familiarity with the company's affairs, as well as with the condition and prospects of the country traversed by the road, peculiarly fitted him for the task. It was not only entirely proper that this negotiation should be conducted without publicity, but it was absolutely essential to their success. The contract finally agreed on was conditioned upon the approval of the executive committee.

At the quarterly meeting of the directors in New York, on the 12th of December, 1883, at which this matter first came up, all the Government Directors were present; but of the full Board there was one less than a quorum, consequently no business was done. It being understood that the contract referred to was at that time waiting the action of the executive committee, the meeting adjourned, from time to time, until a quorum could be obtained and the contract acted upon by the full Board instead of by the executive committee alone. Pending this the Government Directors, at a full meeting on the 12th of December, took action on the subject, and the secretary under instructions, forwarded to the secretary of the general Board, Mr. H. McFarland, the following:

At a meeting of the Government Directors of the Union Pacific Railway Company held at the company's office in New York, December 12, it was unanimously

Voted, That we protest against the ratification of the proposed contract with the Rock Island and Saint Paul roads until it has been submitted to, and approved by, the Board of Directors of the Union Pacific Railway Company.

ISAAC H. BROMLEY,
Secretary.

This action was deemed necessary at the time on account of rumors in circulation concerning the character of the contract which seemed to us to make it of the highest importance that it should be submitted to the full Board of Directors instead of being ratified by the executive committee alone. The result was that at a meeting of the Board reached by successive adjournments on December 20, every member being present except Vice-President Atkins, the contract was submitted and approved by a unanimous vote.

In the conduct of this transaction there is no reason to believe that the executive committee had any intention of usurping the functions of the full Board. By vote of the Board the committee are clothed with full power and authority to perform this and similar acts, and they were only following established precedents. The proceeding seemed to us, however, to be of such importance as to require greater deliberation and more formal action, and the steps above described were accordingly taken.

In no other case has there appeared any disposition on the part of the executive committee to conceal anything from us, or withhold any information concerning their transactions or the condition and prospects of the road.

Our representative in the executive committee has had reasonable notice of all meetings of the committee, and has attended those at which any business other than of a routine character has been transacted.

At the meeting of November 24, at which the January dividend was declared, in order to satisfy himself that the dividend had been earned and that the rumors circulated by interested parties touching the com-

pany's financial condition were without foundation, he asked and received a detailed statement of the earnings and estimated income for the remainder of the quarter from the books of the company, which showed a surplus of \$542,585.51 over the dividend.

We believe that herein we have faithfully discharged our duty to the Government and the company, and fulfilled our functions under the charter and the laws. While we assent, in general terms, to the avowal of the memorialists above referred to, that our duty is "to conserve the general public interest, treating the entity of the Government as but in the highest sense the whole body of the people," we do not by any means accept their implied construction that it is part of our duty to supervise minute details of administration, arbitrate between the company's officers and agents and the public who are their customers, or use our official position in aid of individuals or corporations who have grievances against the management, or are engaged in controversies for the proper settlement of which the legal tribunals are open.

THE "TRIPARTITE ALLIANCE."

The situation which gave rise to the alliance of the three roads named in the tripartite agreement may be stated in a few words. The extension of the Chicago, Burlington and Quincy and Northwestern roads into and through Nebraska, and the connection of one of these with the Denver and Rio Grande at Denver, thence to Ogden, where it connects with the Central Pacific, brought those roads into direct competition with the Union Pacific throughout the whole extent of its main line, and over considerable portions of its branch system to Northern Nebraska. By an arrangement known as the Iowa pooling agreement both these rival roads were enabled to draw their pro rata share of all the freight earnings arising from the connection with the Union Pacific at Council Bluffs. So that the Union Pacific was placed at the great disadvantage of having, as competitors for through traffic, roads which could well afford to cut rates to a ruinous figure between competing points, the loss on this traffic being met by the pro rata division of earnings upon the profitable Iowa business. With two competing lines pursuing this policy and constantly extending their communications to other competitive points, there was manifestly no course open to the Union Pacific except to enter into an alliance with one more of the roads included in the Iowa pool, whereby it could have some of the advantages of that arrangement instead of allowing it to be used by its rivals for the destruction of its own business.

The way to such an arrangement seemed open through an alliance upon the terms mutually advantageous with the Rock Island and Saint Paul roads, and this was accordingly sought.

The original contract, dated the 5th of December, 1883, was made between the Union Pacific Railway Company, of the one part, and the Rock Island and Milwaukee and Saint Paul Companies, of the other part. A supplemental contract extends the privileges of the same to other companies similarly situated, who will make a similar traffic contract. The contract is very voluminous, being full of details to carry out its provisions. Its material provisions may be condensed and outlined as follows:

It recites their several systems of railways, and that they desire to establish and maintain a closer alliance than has heretofore existed, whereby there may be secured to each the friendly co-operation of all the others in all reasonable and lawful ways, in developing and protect-

ing traffic over the through lines composing a portion of the railways of the parties, and reducing the expenses attending such development and protection, and the management and operation of their several lines. It provides for the establishment and operation, for the purpose of transportation of freight, of through lines, which shall connect, when the same can be done by reasonable direct line through Council Bluffs, all points on the system of the Union Pacific with all points on the system of the other parties, with a few exceptions. The parties reciprocally covenant that they will, as far as they lawfully can, deliver to the railways of each other at Council Bluffs all through traffic received for transportation to any points on the lines of the respective parties, which can be reached with reasonable directness over any through lines composed of the railroads of the parties to the agreement, passing through Council Bluffs. Each party covenants with the other to maintain its railway in good condition; that through traffic shall be way-billed through; that each shall control the movement of its own trains, and the time schedules shall be adjusted to make close connections. Each party has the right to fix its own rates as before the contract was made, but if a cut-rate is made, which is defined by the agreement to be a rate lower than the prevailing or published rate, for the purpose of diverting and controlling traffic, then either party to the said agreement may make an immediate reduction of the rates charged by the through line established by the agreement, to meet the cut-rate of the other party. On through rates for certain described east-bound traffic from or to Chicago points the Union Pacific gets forty per cent., and the other parties sixty per cent.; to Mississippi River points the Union Pacific forty-seven per cent., and the other parties fifty-three per cent. For certain described traffic it is provided the rates shall be prorated between the parties upon the basis of the mileage over which such traffic shall be transported, counting every actual mile of the Union Pacific as one and a half, with certain exceptions, and every mile of the other roads as one mile. The contract provides machinery for rendering and keeping accounts such as are usual in traffic contracts, and provides for the adjustment of disputes by arbitration.

The contract, as already stated, came up before the full Board at the meeting of December 20. Its provisions were read and explained, and its ratification met with no opposition from any quarter. The Government Directors, having inquired into the legality of its provisions, received the following letter from the general solicitor of the company, the Hon. John F. Dillon:

NEW YORK, *December 19, 1883.*

DEAR SIR: In answer to your inquiry on behalf of the Government Directors of the Union Pacific Railway Company, I have to state that I have examined the agreements of the Union Pacific and Rock Island and Saint Paul Companies, dated December 5, 1883, and I see nothing therein which violates the charter of the company, and that as the counsel for the company I advised its officers and directors, if they deemed the contracts advantageous to the company (as they did), to enter into the protective and defensive traffic arrangements therein contemplated.

I am truly yours,

JOHN F. DILLON,

*General Solicitor of the Union Pacific Railway Company,
New York.*

... vote of the directors, the general
... all proper measures to induce the other
... the Northwestern, the Chi-

cago, Burlington and Quincy, the Wabash, Saint Louis and Pacific, the Sioux City and Pacific, and the _____, to come into the arrangement upon the same or similar terms.

At the date of the submission of the report it is not known what action these roads will finally decide upon, but it seems obvious that a union of all the roads interested upon some such basis as the one proposed would be much more advantageous to all, and to the general welfare, than a continuance of the ruinous competition. A railroad war, in which rates are cut below the point where freight can be carried at a profit, is destructive to the business interests of the community no less than to the corporations immediately concerned. Merchants and others engaged in trade at points on the Union Pacific and beyond, where the effects of this kind of competition have been felt, have already begun to see that frequent changes in freight rates, even where they result in bringing charges down to unprofitably low figures, are in the end disastrous to the stability and permanence of existing industries and business interests, by disturbing values and leading to overstocking the market.

Steady and fixed rates, even though they are high, are much more conducive to a healthy and prosperous business condition than the unsettled and fluctuating rates, however low, which are brought about by the competition of rival roads. It is confidently hoped that the contract above referred to will be accepted as the basis of a permanent arrangement between all the roads concerned, and that under it the roads will do a profitable business, while the communities along their lines will derive permanent benefit therefrom.

FUNDED DEBT.

The following is a statement of the funded debt of the company, after deducting bonds held in trust and bonds in the sinking fund June 30, 1882, and June 30, 1883, as given us by the officers of the company:

Bonds.	June 30, 1882.	June 30, 1883.	Decrease.	Increase.
First mortgage, Union Division.....	\$27,229,000 00	\$27,229,000 00		
Land grant, Union Division.....	5,257,000 00	4,628,000 00	\$629,000 00	
Sinking Fund, Union Division.....	13,861,000 00	13,861,000 00		
Collateral trust, Union Division.....	4,983,000 00	4,852,000 00	131,000 00	
Omaha Bridge.....	1,888,000 00	1,805,000 00	83,000 00	
Consolidated, Kansas Division.....	15,450,005 00	15,640,005 00		\$190,000 00
Eastern Division, Kansas Division.....	2,240,000 00	2,240,000 00		
Middle Division, Kansas Division.....	4,063,000 00	4,063,000 00		
Denver Extension, Kansas Division.....	6,256,000 00	6,125,000 00	131,000 00	
Leavenworth Branch, Kansas Division.....	67,000 00	67,000 00		
First land grant, Kansas Division.....	52,500 00		52,500 00	
Second land grant, Kansas Division.....	1,000 00		1,000 00	
Income, Kansas Division.....	76,050 00	76 050 00		
Income, subordinated, Kansas Division.....	959,900 00	806,350 00	153 550 00	
Coupon certificates, Kansas Division.....	59,598 75	13,575 00	46,023 75	
Cheyenne Branch Bonds.....	65,000 00	47,000 00	18,000 00	
Trust five per cent.....		2,500,000 00		2,500,000 00
Total.....	82,508,033 75	83,947,980 00	1,250,073 75	2,690,000 00
Net increase.....				1,339,926 25

INVESTMENTS AND INCOME THEREFROM.

The following statement shows the investment accounts and the income derived from the same:

	Bonds at par.	Stocks at par.
Amount of bonds and stocks held as investments, not applied in statement of floating debt, June 30, 1883.....	\$14,978,930 40	\$31,080,250 00
Securities held by the trustees under the Kansas Pacific Railway Company (consolidated mortgage).....	3,156,000 00	1,875,300 00
Securities held by the trustees under the Union Pacific Railroad 6 per cent. trust.....	6,065,000 00
Securities held by the trustees under the Union Pacific Railway 5 per cent. trust.....	2,778,000 00
Total.....	26,977,930 40	32,955,550 00
From these investments, amounting at their face value to \$59,933,-480.40, the company derived an income during the year of.....		\$2,171,962 85
And from other investment accounts, such as coupons collected from company bonds owned by the company, company sinking funds in hands of trustees, &c., there was received.....		109,793 50
Making a total of.....		2,281,756 35

FLOATING DEBT.

In our last report attention was called to certain apparent discrepancies between the statement of the floating debt in the report of the Commissioners of Railroads and that made by the company's officers. These arose, as was pointed out, "partly from differences of opinion as to what properly constitutes an offset to a floating debt, and partly from differences in bookkeeping and in the method of tabulation." Without entering again into the discussion of the question as to what are proper offsets, concerning which the same differences of opinion continue, we have thought best to present in the following table the floating debt statement in both forms. The floating debt, under the company's view, it will be seen, has been reduced \$4,524,097.15, while the offsets, under the same view, have diminished only \$903,869.35, a net reduction of \$3,620,227.80. This large reduction has been effected by pursuing the policy recommended in our last report.

Floating debt, under the United States Railroad Commissioners view, and under the company's view, June 30, 1882, and June 30, 1883.

Items.	June 30, 1882.	June 30, 1883.
Bills payable.....	\$3,879,707 61	\$3,399,000 00
Pay rolls and voucher.....	2,239,886 99	2,136,862 10
Accounts payable.....	4,033,317 27	663,386 58
Totals under the Commissioners view.....	10,754,891 87	6,199,248 68
Under the company's view there should be added:		
Interest on first mortgage bonds including July 1 coupons.....	1,229,385 00	1,229,364 99
Interest on other funded debt, including July 1 coupons.....	213,939 90	239,848 32
Dividends unpaid, including July 1 dividend.....	1,123,371 14	1,137,528 77
Called bonds not presented for payment.....	47,000 00	89,000 00
Making the gross unfunded debt.....	13,363,587 91	8,844,490 76
Against which the resources of the company, excluding investment accounts, and bonds and stocks of other companies, applicable thereto, were as follows:		
Cash.....	1,570,039 16	1,714,202 06
Accounts receivable.....	2,278,404 95	2,618,826 57
Company stocks and bonds owned by the company.....	2,250,940 02	2,149,865 83
Sinking fund in hands of trustees.....	47,000 00	89,000 00
Bills receivable.....	67,564 50	96,832 50
Due from other companies on act of traffic, balances.....	415,531 03	148,056 80
Fuel, material, and stores on hand.....	3,963,345 92	2,720,162 47
Total resources, as stated.....	10,592,815 58	9,688,946 23
Floating, or unfunded debt.....	2,775,772 33	
Excess of resources over floating debt.....		844,455 47
Reduction of floating debt within the year.....		3,620,227 80

STOCK AND BONDS OWNED.

The following is the statement in detail of the stocks and bonds owned by the company referred to under the head of "Floating debt," as having been deducted from that debt with other offsets:

Statement of company stock and bonds owned by the company, the amount of which has been deducted from the floating debt, June 30, 1883.

	Par.	Amount.
Kansas Division:		
Consolidated bonds.....	\$1,872,000 00	\$1,871,950 00
Subordinated income bonds.....	88,600 00	91,911 53
Not subordinated income bonds.....	27,700 00	26,849 00
Omaha bridge bonds.....	5,000 00	5,181 35
Kansas Division coupon certificates.....	135 00	135 20
Denver Extension bonds.....	37,080 00	35,701 25
Union Pacific Railway and constituent companies' stocks.....	160,150 00	114,157 50
Total.....		2,149,865 83

FEEDING LINES.

The policy of strengthening the road by extending aid, by all legal means, to branch roads which should be operating as feeding lines constituting with the main line a single system, has never been seriously disputed, although the opponents of the road and persons interested in rival enterprises have made it cause for adverse criticism and attempted, in one or two instances, to obstruct the operations of the company by

raising questions as to the legality of such a course and the validity of the acts done in pursuance of it. It is not denied by the company's officers that some of these feeding lines under their control have been run at apparently a small temporary loss. But they insist that in the real gain to the road from developing new territory, sale of lands, increase of business, &c., as well as in the certainty that the most unpromising of them will, in a very short time, be sources of profit, is greater than the present temporary loss, which is only apparent. A comparison of the earnings and expenses of those lines in the years ending June 30, 1882, and June 30, 1883, shows a very decided improvement in the business of those roads. A very marked case is that of the Omaha, Niobrara and Black Hills Road, which in 1882, was operated at a loss of \$6,525.36, but for 1883, showed a profit of \$102,883.62.

The other three roads which were operated at a small loss in 1882, showed in 1883 very decided gains in earnings, and there is no reason to doubt that in a very short time they too will be not only self supporting, but a source of profit.

If anything further were needed to vindicate the wisdom of the policy of constructing feeding lines, it is shown by the fact that while the earnings of the main line have fallen off during the past year from a variety of causes, but chiefly because of the opening of rival routes and the competition in rates, the deficiency has been almost made good by the increase in earnings of the branch roads of the system.

This increase is gradual, but constant and healthy, and is of the utmost promise for the future. Without the feeding roads the main line, now practically paralleled for its entire length from Omaha to Denver and Ogden, would have seriously suffered from the ruinous competition to which it has been subjected. We continue of the opinion expressed in our last report, that the construction and operation of the feeding lines have been of incalculable value to the road in rendering it in some measure independent of competing routes for through business.

Since our last report there has been a considerable extension of the Oregon Short Line. This road leaves the main line at Granger, and is intended to connect with a road now in process of construction from Portland, Oreg., eastward by the Oregon Railway and Navigation Company. With this company a contract exists for building their road to the point of connection with the Short Line, and there is also a satisfactory traffic contract for the period of fifteen years. The Oregon Short Line has been completed, and the track laid for a distance of a little over 500 miles, with 51 miles of branch line. There remain about 25 miles to be built, all of which has been graded, and the iron for its completion is already on the ground. A few weeks' labor will finish the road as far as the company has agreed to build.

The western end of the line, or portion belonging to the Oregon Railway and Navigation Company, has been delayed from one cause and another, and will not be finished as soon as the Oregon Short Line on account of very heavy work and intense cold weather. The road will not, therefore, be open for through business until spring or early summer, when through trains will be run from Omaha to Portland.

It having been intimated that these delays were intentional on the part of the Oregon Railway and Navigation Company, President Dillon addressed a communication to Mr. Villard, then president of the company, making inquiries concerning it. To this communication the following answer was returned:

A.

NEW YORK, December 21, 1883.

DEAR SIR: In reply to your inquiries, I beg to state that this company is pushing the work on the Boise Branch, which will connect our main line with your system at the Snake River, with all possible dispatch and vigor. We have already completed 111 miles, which brings the track to the eastern slope of the Blue Mountain range, and includes the most difficult work on the line. More than 60 miles of the remainder of the line have been graded, and we are continuing the work vigorously in spite of the severity of the season. We have already expended nearly two-thirds of the cost of the entire line, and our interest, of course, requires that we make this investment productive at the earliest possible moment.

I beg further to confirm to you that the existing traffic contract, under which a direct connection with the city of Portland, Oregon, and a proper share of the Oregon and Washington Territory business is assured to you, will be strictly carried out.

Yours, truly,

H. VILLARD,

*President Oregon Railway and Navigation Company.*SIDNEY DILLON, Esq., *President.*

There is no doubt in the mind of President Dillon that the arrangements referred to in the above letter will be faithfully carried out under the new management of the Oregon Railway and Navigation Company.

Questions having arisen concerning the policy of building the Oregon Short Line, it is proper to say that we are informed that the road, though incomplete, is paying from its present business the interest on its bonds, which seems to settle all questions concerning the wisdom of the enterprise.

EARNINGS AND EXPENSES.

The following table, furnished by the company's officers, shows the earnings and expenses of the main line and branches for the ten months ending October 31, 1882, and October 31, 1883:

Earnings and expenses of the road and operated lines for the ten months ending October 31, 1882.

Ten months, 1882.	Union Pacific Railway.	All other branches.	Total Union Pacific Rail- way and branches.
Earnings	\$18,932,228 86	\$6,160,778 30	\$25,093,005 16
Expenses	8,816,606 84	4,189,260 31	13,005,867 15
Surplus earnings	10,115,622 02	1,971,515 99	12,087,138 01
Monthly average of miles of road operated	1,820 9	2,018.1	3,839

Earnings and expenses of the road and operated lines for the ten months ending October 31, 1883.

Ten months, 1883.	Union Pacific Railway.	All other branches.	Total Union Pacific Rail- way and operated lines.
Earnings	\$17,434,906 82	7,187,149 69	24,622,056 51
Expenses	8,344,926 62	4,885,471 95	13,230,398 57
Surplus earnings	9,089,980 20	2,301,677 74	11,391,657 94
Monthly average of miles of road operated	1,820.9	2,519.9	4,340.8

The earnings and expenses of the Central Branch Union Pacific Railroad and of the Nevada Central Railway are not included in above statement.

One of the immediate advantages gained by the improvement in the material condition of the road, of equipment, road-bed, rails, &c., will be perceived by a glance at the comparative statement of earnings and expenses of the past two years, from which it will be seen that the decrease in running expenses has been proportionately very much larger than the falling off in earnings, so that while there has been a perceptible decrease in gross earnings, the economies which have been made possible by the improved condition of the road and equipment have been such as to show an increase in the net earnings or surplus.

The decrease in gross earnings of the road for the year is due to several causes which lie near the surface, and against which it was not in human foresight to provide. In the first place, there has been less railroad building in the territory west of the Missouri River and on the line of the road during the past than in preceding years, and of course a consequent diminution of freight traffic in the carrying of materials and transportation of laborers, provisions, &c. The opening of new lines has brought competition, and one of the results of which has of course been the diversion of a portion of the business to other roads, and another and more damaging, the cutting of rates, by which the revenues were diminished.

The opening of rival lines to the Pacific coast has naturally drawn upon the passenger business of the road. When so much of the travel is by tourists and for pleasure, the curiosity to visit new sections of the country and see the new routes of travel naturally attracts passengers, and it was to be expected that the new condition of transcontinental communication would affect in greater or less degree the business of the road. But it may be said that in compensation for the diversion of freight and passengers to other roads there has been such an increase in the whole volume of through business that the shrinkage has been much smaller than the managers had been led to expect. In anticipation of the effect upon business of the opening of the competing lines, care was taken not to increase the freight equipment to the extent to which it would have otherwise been enlarged. The shrinkage has, however, been so much less than was anticipated that the freight equipment has been constantly taxed to its utmost capacity. The diminution in earnings from this source results accordingly almost exclusively from the cutting of rates.

In order to inform ourselves more fully concerning the effect of competition upon the business and income of the road we addressed specific inquiries to Secretary McFarland in September last. That officer, in response to our request, communicated upon the subject with E. P. Vining, Esq., the freight traffic manager at Omaha, whose reply, which will be found very full and interesting, was as follows :

UNION PACIFIC RAILWAY COMPANY,
OFFICE OF E. P. VINING, FREIGHT TRAFFIC MANAGER,
Omaha, October 10, 1883.

DEAR SIR : Replying to your favor of the 12th ultimo, to which my absence from Omaha has prevented earlier attention, I would respectfully call attention to the following facts :

In 1877 our freight earnings from Pacific coast business were.....	\$2,530,416 55
In 1878 they were.....	2,724,664 42
In 1879 they were.....	2,621,872 56

In 1880 the through line formed of the A., T. and S. F. and the Southern Pacific was opened for business, and as during a part of the year we had the only rail line, and during the remainder of the year were subject to rail competition, no reliable judgment could be based upon the results of the year's business, although it was a fact that our earnings from this business during the year were materially greater than they had been during any former year.

In 1881 the earnings were even larger than in 1880.

The opening up of the through line formed by the Texas and Pacific and the Southern Pacific about the first of January, 1882, brought another competitor into the field and reduced our earnings to about their old figure. In 1882 our earnings from the business were \$2,746,473.26, which it will be seen is slightly in excess of the amount earned any year before we had rail competition.

Notwithstanding the completion of the line formed by the G. H. and S. A. and the Southern Pacific; that formed by the C. B. and Q., D. and R. G. and the Central Pacific, and the more recent competition of the Northern Pacific, we have continued to earn about as much from the Pacific coast business as we did in the years when we had no rail competitors, our earnings for the first nine months of the year 1883 (official for all but September, and estimated for that month from the face of the way bills) being \$2,020,000.

Each new line has had the tendency to build up new business. The Southern lines have, for instance, built up a large business at Los Angeles, which is now the central supply point for Southern California and much of Arizona; and yet the trade of San Francisco has increased, notwithstanding the new competition which it meets from Los Angeles.

So, too, the completion of the Northern Pacific will undoubtedly build up a largely increased business at Portland, while it is not likely that the business of San Francisco will decrease.

The numerous rail lines now competing for Pacific coast business make more serious inroads upon the former "clipper" business than it was possible for the Union Pacific to make when acting alone, and a large part of the business of the new lines is therefore taken from the clipper lines rather than from the Union Pacific.

The trade of the Pacific coast is also constantly growing, so that although we now obtain a smaller proportion of the Pacific coast business than we did in years gone by, that smaller proportion of an increased business still pays us as much money as we ever received from the business before we had rail competition.

Stated briefly it may be said that the opening up of competing lines has had the effect of depriving us of the growth in business and the increase in earnings which we would have had if these lines had not been opened, but that they have not deprived us of anything that we had before such other lines were opened.

Notwithstanding the numerous lines now competing for the business, our natural advantages are such that we have steadily held much more than one-half of the total business, and we can probably continue to take more than the aggregate taken by all our competitors.

The competition with clipper lines had been such that our rates had been placed at as low figures as any rail line could well afford to make, and therefore none of the new lines have found it practicable to attempt any further reductions in rates.

Hence we have not had to suffer the reduction in average rates per ton per mile which often results from new competition.

Yours, very truly,

E. P. VINING,
Freight Traffic Manager.

HENRY MCFARLAND, Esq.,

Treasurer Union Pacific Railway Company, P. O. Box 5287, Boston.

DIVIDENDS.

The regular quarterly dividends of one and three-quarters per cent. has been declared from the earnings of the road and branches, and has been paid without impairment of the surplus. At the meeting of the executive committee at which the last quarterly dividend was declared, Mr. Haven, the Government Director serving on the committee, asked for a statement of earnings upon which the dividend was made. In response to his request the following estimate, based upon actual returns already in hand, was furnished :

Estimated "income" for the quarter ending with December 31, 1883.

Gross earnings.....	\$5,766,521 71	
Operating expenses and taxes, 46.54 per cent.....	2,683,739 20	
Surplus earnings.....		\$3,082,782 51
Income from investments.....		400,000 00
		<hr/> 3,482,782 51
Interest on bonds.....	1,300,000 00	
Less amount to be received from trustees K. P. consolidated mortgage.....	150,000 00	
	<hr/> 1,150,000 00	
Sinking fund requirements.....	75,000 00	
United States requirements.....	600,000 00	
Miscellaneous expenses, interest, premiums, &c....	50,000 00	
	<hr/>	<hr/> 1,875,000 00
Balance applicable to dividends.....		1,607,782 51
Dividend at 1½ per cent..		1,065,197 00
		<hr/> 542,585 51
Surplus over dividend for the quarter.....		

The general depression in business during a portion of the time giving rise to a doubt whether the earnings of the company would come up to the estimates, it may not be amiss to add thereto the following statement of the earnings for November, the last attainable at the time of closing our report. It shows, as will be seen, a small increase over the corresponding month of the previous year:

Earnings for November.

Year.	Earnings.	Expenses.	Surplus.
1882.....	\$2,711,916 81	\$1,690,861 14	\$1,021,055 67
1883.....	2,731,722 58	1,708,884 41	1,022,838 17
Increase.....	19,805 77	18,023 27	1,782 50

MILEAGE ALLOWANCES.

The construction mileage allowances to the branch roads of the system have not been changed, and are the same as set forth in our last report, to wit:

Omaha and Republican Valley Railroad is allowed 1½ miles per mile.

Omaha, Niobrara and Black Hills is allowed 1½ miles per mile.

Saint Joseph and Western is allowed 1½ miles per mile.

Echo and Park City is allowed 2 miles per mile.

Greeley, Salt Lake and Pacific is allowed 2 miles per mile.

Julesburg Branch Colorado Central is allowed 1½ miles per mile.

Colorado Central, standard gauge, is allowed 1½ miles per mile.

Utah Northern Railway is allowed 1¾ miles per mile.

Oregon Short Line Railway is allowed 1¾ miles per mile.

We repeat that in our judgment these allowances are not excessive or unusual, but seem to be just and equitable, and based upon the value of the business brought to the main line of the connecting roads.

The company continue their complaint that the Government, against decision of the courts, applies not only the earnings of the main line

for Government service, but the earnings for Government service of the whole system (branch and feeding lines included) to the payment of the Government debt.

FREIGHT AND PASSENGER RATES.

The following table shows the average rates charged passengers and freight per mile, from the commencement of 1881 to the close of June, 1883 :

Passengers.	1881 and 1882.	First six months, 1883.
Throughcents per mile..	\$0 03	\$0 03.0632
Waydo.....	03½	03.4461
FREIGHT PER TON PER MILE.		
Local, including coal.....	02.35	\$0 02.19 \$0 02.10
Local, excluding coal.....	02.76	02.64 02.59
Through.....	02.53	02.33 01.92
Pacific coast.....	01.26	01.17 01.38
Average, including coal.....	01.88	01.89 01.86
Average, excluding coal.....	02.09	02.03 02.05

FAST TRAINS.

In our last report we expressed the opinion that the opening of competing through lines on each such would make it necessary for the company to shorten materially the running time of through trains, so that the time from Omaha to San Francisco might be reduced by from twenty-four to thirty six hours.

No change was made in the rate of speed until July 1, 1883, when, in accordance with our suggestion, a new time schedule went into effect between Council Bluffs and Ogden, by which the through time was reduced about twelve hours each way and an additional train was put on, making two daily trains each way between those points. This was not met, however, by a corresponding increase in train-service or shortening of time by the Central Pacific from Ogden to San Francisco, so that the only advantage gained by the traveling public is in the twelve hours saved on the Union Pacific between Omaha and Ogden. A special advantage is gained by passengers on the emigrant trains, the emigrant cars, which were formerly attached to the freight trains and still are in the Central Pacific, being now drawn by regular passenger trains at a considerable faster rate of speed.

THE PULLMAN CAR CONTRACT.

No new contract with the Pullman Car Company has yet been definitely entered into, but we are informed that negotiations are in progress and that it is quite probable that an arrangement will be agreed upon in a short time by which the Union Pacific will be insured a much larger revenue than it has hitherto derived from this source.

DIVERSION OF BUSINESS TO OTHER ROADS.

At the annual meeting of the directors in March last, on motion of one of the Government Directors, it was—

Resolved, That the United States Commissioner of Railroads be requested to make investigation and report as to the effect of the construction or purchase

by the Central Pacific Railroad of connecting lines of through roads and direct communication with the East and the Central Pacific Railroad of through travel and communication with the West. The interests of both the Central Pacific and Union Pacific are alike affected by any action affecting the interests held by the United States in the land grant.

The Committee on the Pacific Railroad, in answer to the above resolution, reported that the subject should receive proper consideration, and the same report was adopted by the Senate with special reference to the proposition of a waterway through the Government may have in the matter. We are not informed what action was taken, but the subject seems to us to be one that may deserve consideration as affecting the present condition of the roads and their ability to meet their obligations to the Government.

CONDITION OF LAND GRANT.

The reports of the Government Directors for previous years have, as a rule, contained no reference to the land department of the company or the condition of the land grant. The operations of the department being much the same from year to year, varying only with the natural and gradual increase of sales from the planting of new enterprises and the growth of population, there has seemed to be no need of special investigation in this direction. The revenue therefrom has been constant, with an easily computed natural annual increment, and the receipts have been applied to the extinguishment of the land-grant bonds.

Deeming it a matter of sufficient interest and importance to warrant more particular inquiry concerning it, especially since it is proposed to ask further legislation looking to the more speedy disposal of lands and consequently to a more rapid development of the vast extent of unoccupied land along the line of the road, we have taken pains to obtain from the land department such information concerning the present condition and prospects of the land grant as, in our judgment, seemed necessary for a fair understanding of the subject.

The original land grant to the Union Pacific embraced, as near as may be estimated, about 11,200,000 acres. The grants to the Kansas Pacific and Denver Pacific embraced about 7,004,000 acres, making a total of 18,204,000 acres in the original land grants to the consolidated company. This was unquestionably a magnificent gift from the Government. It is more than an imperial domain. It has not infrequently been made an occasion for reproach of the projectors of this great work and their successors, that they accepted such an endowment and took from the hands of the Government this vast amount of public land as the price of their enterprise.

This may not be the place to enter into a discussion of the question whether the projectors of the road were overpaid, or whether in their bargain with the Government the advantage was with them. We cannot refrain from remarking, however, that the policy of granting lands on either side of this transcontinental railway line, and granting them too on a grand and liberal scale, has been more than justified by the history of the road and of the States and Territories traversed by it. Looked at simply in the light of the figures; considering merely the number of acres bestowed, it seems like an enormous gift. Taken in connection with the fact that it was given in aid of an enterprise from which the projectors were hopeful in the end of deriving a profit independently of the subsidy, it might seem like reckless prodigality and waste on the part of the Government. It suits the purposes of demagogues so to consider it, and the consequence has been that the inter-

ests of the company, and incidentally of the Government, have been made to suffer from a groundless clamour against the corporation and its management. But large as the land grant is, profitable as it has been to the grantees, and valuable as it continues to be as a steady source of revenue, nothing can be clearer than that it owes its chief value to the great line of communication upon which it is located, and the enterprise, intelligence, and energy of those who brought it into market and made it available for occupation. We believe it to be capable of demonstration, that the General Government has already more than made good to itself the actual value of the whole grant at the time it was made, in the enhanced value of the alternate sections reserved to itself, by the opening of the road and the development of the lands that would otherwise have long remained unoccupied and waste. In discussing the magnificence of this gift from the Government as if there were no consideration for it, and the men who obtained it had in some way gained an unfair advantage, the conditions existing at the time it was made are lost sight of, and the circumstances attending it too often forgotten. For this thing was not done in a corner. It should be remembered not only that the grant was made after protracted discussion and careful deliberation with the full knowledge of the American people, but that the condition upon which it was made, to wit, the building of the Pacific Railroad, was generally believed to be so improbable of fulfillment as practically to make it void and of no effect. The projectors of the road were at that time objects rather of sympathy as the victims of visionary speculations than of envy on account of their advantageous bargain. Outside of the great public benefit of the road as a means of communication with the Pacific coast, the Government was more than willing to pay this price for the opening up, settlement, and bringing into market of its own vast extent of unoccupied and unmarketable lands lying west of the Missouri River. The land grant, considering existing conditions and the stupendous results which must accrue from the fulfillment of the condition upon which it was made, was not prodigal or extravagant. It was a fair business transaction in which a large price was paid for taking large risks with the prospect of very large returns. Any individual owner of extensive tracts of unoccupied and practically useless land who should transfer half the same upon similar conditions would be considered a shrewd business man. Such an individual, if after having profited by the transaction in the enhanced value and more rapid sales of his own share, he should complain that his grantee had also obtained large returns from a comparatively small investment, would receive little sympathy. In the case of the General Government, however, it is the fashion to assume that it has been imposed upon or cheated, if those who have dealings with it seem to have reaped any unusual profit from the transaction.

From this view, in this particular case at least, we take leave to dissent. The opening of the Pacific Road, which was the condition upon which this land grant was made, has been, as hardly need be pointed out, of incalculable benefit to the country. It has not merely brought the two coasts of the continent into close communication, but it has been the means of a more rapid development of the country's resources than it was possible twenty years ago for the imagination to conceive. One has but to consider for a moment the vast extent of territory opened to settlement, redeemed from waste, and devoted to pastureage or tillage, the enormous increase of agricultural products therefrom, the utilization of extensive tracts of grazing land and the tremendous volume of traffic flowing through the arteries of trade and commerce

from these so lately unoccupied places, to realize something of the benefits which have accrued to the Government from its liberal land grants. If the corporation has profited by them, the country also has been an enormous gainer.

We are able to say concerning the administration of this property, that we have every reason to believe that it has been prudent and wise, having in view the best interests not only of the company, but of the Government, and of the communities and people among whom the lands are located.

The original grant of the Union Pacific was as follows:

	Acres.
Acres granted in Nebraska.....	4,762,174
Acres granted in Wyoming.....	4,582,520
Acres granted in Utah.....	1,107,520
Acres granted in Colorado.....	688,900
Total acres.....	11,141,114

CHARACTER OF LANDS GRANTED.

General estimate in round numbers:	Acres.
Agricultural lands in grant.....	3,500,000
Grazing lands in grant.....	7,300,000
Coal lands.....	400,000
Total in round numbers.....	11,200,000

Of these remain unsold 8,877,892.81 acres, which may be classed as follows:

Agricultural.....	Acres.
Grazing.....	1,000,000
Coal.....	7,477,842
	400,000
	8,877,892

These unsold lands lie within the limits of—

Nebraska.....	Acres.
Colorado.....	2,580,000
Wyoming.....	690,000
Utah.....	4,580,000
	1,027,892.81
	8,877,892.81

The grants to the Kansas Pacific Railway Company, to the Denver, Pacific Railway and Telegraph Company, embraced about 7,004,000 acres; the net sales amount to 1,767,274.42 acres; leaving unsold 5,236,725.58 acres.

These unsold lands may be classed as follows:

Agricultural.....	Acres.
Grazing.....	625,000
	4,611,725.58
	5,236,725.58

These lands are situated within the States of Kansas and Colorado.

All lands within the grant in Nebraska west for 215 miles are sold and disposed of, and United States patents taken out or applied for, for all lands west of the 100th meridian, thus rendering the same taxable, to the benefit of the various communities in which they lie, and of the company, by increasing the value of taxable property along its line. Present sales of agricultural lands are made as far west as Keith County, 350 miles from the Missouri River, and will undoubtedly continue west

ward till increasing elevation, character of soil, and absence of moisture preclude successful cultivation. Even when the natural moisture supply fails, successful agricultural operations might be conducted over a large extent of country now rated as grazing and waste lands, provided artificial water supplies by artesian wells or otherwise could be furnished. The solution of this problem, through Congressional aid or otherwise, would redound to the material benefit of the sections of country where the lands lies, and of the railway company through settlement, development, and population. Meanwhile a large extent of country, representing millions of acres, comprising both railroad and Government lands, are actually valueless so far as returns therefrom are concerned. They are occupied by large bodies of cattle, and the ranches and trifling improvements incident thereto; all of which occupation is of an unsettled and shifting character, and produces no definite or satisfactory result.

Included in the classification of grazing lands above are nearly 1,000,000 acres of rugged and partially forest-covered lands as yet unsurveyed, and of which survey, at present Government rates, is impracticable, together with a large body of sage brush and sandy lands, as yet of little avail for even grazing purposes, but which in part may in future be utilized for this purpose, or under the possibilities of irrigation become of some use agriculturally. These waste lands lie chiefly in Utah and Western Wyoming; the so called grazing lands in Central and Eastern Wyoming, Northern Colorado, and Western Nebraska, and the agricultural lands in Central and Eastern Nebraska.

There have been sold and disposed of in round numbers of the whole grant about 4,000,000 of acres for the sum of about \$15,500,000. The methods of sale are for cash, with a discount of 10 per cent. on five or ten years' time, in instalments of one-fifth or one-tenth, with annual interest at the rate of 6 per cent. on deferred payments.

The proceeds of sales and collections are remitted directly to the trustee for the land-grant bondholders and by him applied in cancellation of the land-grant bonds.

Of the original Union Pacific issue of \$10,400,000 it is understood some \$5,800,000 have been cancelled. Upon the full cancellation of all land-grant bonds, and liquidation of the land-grant mortgage, the sinking fund mortgage, so called, becomes a lien upon all remaining lands. Concerning the Kansas Pacific and Denver Pacific issue we are without definite data.

The company's estimate of the character and value of the remaining lands of the Union Pacific grant may be thus stated :

Agricultural, 600,000 acres, at \$3 per acre.....	\$1,800,000
Grazing, 7,700,000 acres, at \$1 per acre.....	7,700,000
Coal, 400,000 acres, at \$20 per acre..	8,000,000
Estimated value of unsold lands.....	17,500,000

Lands designated as agricultural are those within the limit, chiefly in Nebraska, where agriculture is deemed practicable rather than where it has yet been fully demonstrated.

The value of grazing lands is considered with reference to some favorable action concerning Government lands intervening, rather than the prices they might bring if now offered for sale.

The coal lands are estimated at the price for which coal lands are sold by the Government, but their present and prospective value to the company far exceeds the price named. Being situated on the mountain division of the road, where there is the largest consumption of fuel, they are of the greatest advantage for locomotive supplies, at the same time

that they furnish coal for the Wood River mining district, which is transported over the Oregon Short Line, and for the mining districts of Montana, which goes over the Utah Northern Road.

Land Commissioner Burnham thinks that the major portion of the agricultural lands can probably be disposed within a year, leaving for consideration the disposition of the grazing lands heretofore described. While there is yearly an undoubted gradual westward extension of the moisture belt, and other climatic changes which must in time include within the agricultural area many of the above designated lands, their present and immediate use is only for grazing purposes, and if they are to be presently disposed of it must be with this object in view. In favor of the disposition may be urged the fact that they at present bring little or no revenue to the company, except from the transportation of cattle shipped over the road, though grazed upon and occupied by large quantities of live stock passing over these and the Government lands alike. The present inclination of the cattle interests is toward ownership of the range inclosure by fencing of the same, and the better and closer development of stock, all of which is, if not rendered impracticable, greatly embarrassed by the existence of alternating Government sections.

In connection with this subject we are in reception of a communication from President Dillion, from which, as giving his views, we quote as follows :

It has been a maker of frequent discussion in the board and elsewhere with the Government and other directors as to the necessity for legislation to enable the company and the Government advantageously to dispose of the non-agricultural lands within the limit of the land-grant to the Union Pacific Railway, that is, lands familiarly termed grazing lands. It is known to everybody that a very considerable portion of the land-grant is in arid regions not susceptible of cultivation, where the lands are used only for grazing purposes. Under the grant of alternate sections the result is that the Government owns one section and the company another, and we cannot sell contiguous in one tract more than a section, nor can the Government. As you are aware, many of these lands are now occupied by persons without right and without compensation to the company or the Government as cattle ranges. They will not buy unless they can get lands in considerable quantities in a solid tract, and if the present conditions continue, this state of things, to the detriment of the company and the Government, will continue, to exist indefinitely. Everybody can see this, and everybody knows it. Therefore the expediency of making a division of these lands is obvious, as it would be beneficial alike to the Government, to the company, to the public, and to the States where these lands are, as they would thereby be sold and become subject to taxation and yield revenue, and would be the means of establishing permanent instead of floating communities.

We have had, repeated application by persons owning large herds of cattle, from 1,000 to 50,000 head, for these lands; but, for the reasons above stated, we cannot sell them and are getting no benefit from them. Therefore, that these lands should be partitioned or divided is manifest. The only question is one of detail as to how it should be done. A fair division is a very simple matter. Congress could authorize the division specifying that one commissioner be appointed by the President or the Secretary of the Interior, another by the company, and the two to select a third, with authority to divide the lands equally as to value and in large tracts, the whole to be subject to the approval of the President or the Secretary of the Interior. Or Congress could pass an act authorizing the division of all grazing lands under the direction of the circuit court of the United States, giving that court the necessary authority to effect an equal partition of the lands, with the right of either party to take an appeal from the same as in a private controversy.

Land Commissioner Burnham upon this point suggests three specific plans, either of which might be adopted, as follows :

First. An exchange by the railroad with the Government of all odd-numbered sections on one side of its road for all even-numbered sec-

tions on the other side, thus giving a solid body of lands on one side of the road 20 miles in width.

Second. Some modification by Congress of present land laws permitting the sale within certain limits and under certain conditions of considerable tracts of lands for grazing purposes.

Third. Some form of lease on long time at low rates of Government sections for grazing purposes, subject, however, to the application of the homestead, pre-emption, desert-land, and timber-culture laws, wherever the same are now applicable.

Commenting on these plans Commissioner Burnham says:

The first plan if attainable would be most desirable for the company and would give quicker and greater value to its lands thus treated than any other. It might be applied on either side of the line, commencing at or about the 103d meridian, west of which, except to a limited extent in Utah, no lands have been sold by the company, and continuing through the grant. There is little choice for either the Government or the railroad, and any possible question might be readily settled by a commission in which each should be represented. The value of the Government lands thus treated would be enhanced rather than impaired.

The objections to it seem to be that it would probably not be favored by Congress as being contrary to the present policy concerning public lands and railroads; also its possible effect upon bonded securities of the companies by the substitution of other properties than those originally pledged.

The second plan would also, if once fairly established, subserve the particular interest involved, but with the first seems equally open to objections sure to be urged against it as contrary to public policy, &c.

The third plan is, to my mind, more feasible than any other, for the reason that it can be frankly and earnestly urged; that, while it practically meets every requirement of the case, it has no feature objectionable to the free and full operation of existing land laws, and will at once give value to, and cause development of, large areas now comparatively worthless.

We have thus given the views of President Dillon and of Land Commissioner Burnham on this subject, with the considerations adduced by each in support of their several propositions. Without recommending any specific plan ourselves, we do not hesitate to say that in our judgment some definite plan should be adopted whereby the interests of the Government and the company should be mutually subserved, and provision made for such a fair and equitable division of the remaining lands as shall best promote their speedy sale and utilization.

The following is the statement of sales of lands and town lots to June 30, 1883:

UNION PACIFIC RAILROAD LAND GRANT.

Net sales, 2,220,107.19 acres.....	\$9,636,217 52
Sales of town lots.....	393,864 68
Interest on land and town-lot contracts.....	1,420,784 27
Forfeited on canceled contracts.....	304,545 79
Other receipts, interest, &c.....	88,794 53

Total..... 11,848,706 79

Deduct expenses paid by the trustees:

Discounts, commissions, &c.....	\$318,833 18
Premium on land-grant bonds redeemed.....	124,313 80
	<hr/> 443,146 98

Leaves the amount received by the trustees including contracts on

hand..... 11,405,559 81

Deduct expenses paid by the company:

General expenses and taxes.....	2,132,236 96
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Net proceeds Union Pacific Railroad land grant..... 9,273,321 85

KANSAS PACIFIC AND DENVER PACIFIC RAILWAY LAND GRANT.

Net sales, 1,767,274.42 acres for.....	\$6,551,573	78
Sales of town lots.....	98,421	59
Interest on land and town-lot contracts.....	760,072	28
Forfeited on canceled contracts.....	276,134	51
Other receipts, interest, &c.....	11,444	69

Total..... 7,697,646 85

Deduct expenses:

General expenses.....	\$823,789	45
Discount on sales.....	645,911	49
Taxes.....	107,366	03
Interest and premium on bonds redeemed.....	122,710	95
	1,699,777	92

Net proceeds Kansas Pacific and Denver Pacific grants, including contracts on hand.....	5,997,868	93
Total net proceeds of lands to June 30, 1883.....	15,271,190	78

The following comparative statement of land sales for the first five months for 1882-'83, shows the gradual increase in the number of acres sold and amounts received.

Statement of land sales.

Months.	1883.		Month.	1882.	
	Acres.	Amount.		Acres.	Amount.
January.....	2,3072	\$105,405	January.....	18,040	\$87,066
February.....	42,620	137,902	February.....	28,145	140,677
March.....	64,426	282,514	March.....	25,948	130,342
April.....	84,320	301,415	April.....	20,204	102,897
May.....	112,306	413,831	May.....	37,355	176,533
Total.....	326,743	1,241,067	Total.....	129,692	637,535

LITIGATION.

It is not to be expected that a great corporation like the Union Pacific Railway Company, having landed interests in at least six States and Territories, and trade relations through the vast traffic pouring over its lines, with every State and Territory in the Union, to say nothing of its relations with other railroads, and with its own bond and stockholders should escape litigation. Either as plaintiff or defendant it must be continually in the courts. It is consequently necessary to a correct understanding of the financial condition of the company to know something of the litigation in which it is concerned as plaintiff or defendant, and particularly concerning the more important suits involving large sums, or affecting the integrity of the franchise. It has not been the practice of the Government directors hitherto to inquire especially upon this point, or give the subject much space in their report. In view of the importance of some of the suits in pendency we deemed it proper to give the subject attention, and accordingly in August last addressed to the secretary of the company some inquiries which were answered in the following communication from Hon. John F. Dillon, the company's general agent:

NEW YORK, *September 28, 1883.*

GENTLEMEN: I am informed by the secretary of the company that in August last, when in Boston, you asked him among other things that there should be furnished to you a statement showing "what suits the Union Pacific is interested in, whether as plaintiff or defendant, and what is their character." This inquiry has been referred to me as the company's general solicitor to answer.

What is known as the Union Division of the company's road is under the immediate charge of Mr. A. J. Poppleton, the company's general attorney, with office at Omaha. What is known as the Kansas Division is under the immediate charge of Mr. J. B. Usher, the company's general attorney, with office at Lawrence, Kansas. The local attorneys make immediate report of litigation to Messrs. Poppleton and Usher respectively; and the latter are required by regulation to make semi-annual reports to the undersigned, giving the title, character, amount claimed, and situation of every pending case against the company at any point on the lines covered by their respective jurisdictions. I have regularly received reports from Messrs. Poppleton and Usher, and they are in the office of the law department of the company in New York; and I will take great pleasure in submitting them to you, and in giving you any information touching the suits by and against the company, as shown in these reports and otherwise.

I may state generally that these reports show a number of cases by and against the company in the various States and Territories where its roads are situate, of a character common to all roads and inseparable from the transaction of railroad business, such as actions for personal injuries, for breaches of contract, for stock killed, etc., also, suits to restrain the collection of illegal taxes, and in relation to disputed tracts of land, the title to which is claimed by or against the company. I recollect no litigation in the West not of the character to which railroad companies generally are liable, except a litigation recently commenced in the State of Kansas to have determined the status of what is known as the Kansas Pacific as respects State authority and jurisdiction. In that litigation the power of the Kansas Pacific to consolidate with the Union Pacific and Denver Pacific companies, and thereby to render itself "amenable only to Federal control, and subject as to those rights and causes of action which may thereafter exist against it, only to the jurisdiction of Federal tribunals," is questioned.

Inasmuch, however, as by the act of the Kansas Legislature, passed on the 5th day of March, 1862 (Compiled Laws of Kansas of 1862, p. 767), the Legislature expressly authorized "any railway company of Kansas to unite or consolidate with any other company or companies now organized or which may hereafter be organized *under the laws of the United States*," and afterwards asked Congress to adopt the Kansas Pacific as one of the branches of the Pacific system, which Congress accordingly did by the charter of the Union Pacific; and in that charter by the sixteenth section of the act of 1862, and by the sixteenth section of the act of 1864 expressly provided "that any two or more of the companies authorized to participate in the benefits of this act are hereby authorized at any time to unite and consolidate their organizations as the same may or shall be, upon such terms and conditions and in such manner as they may agree upon, and shall not be incompatible with this act, or the laws of the State or States in which the road of such companies may be," the company's counsel, under these circumstances, apprehend no adverse result.

In addition to this, the company have a suit pending in the Court of Claims at Washington to enforce compensation for postal service under its charter for an amount very much larger than that which is allowed by the Postmaster-General. The Postmaster-General claimed the right to fix the rates; the company claimed that the measure of compensation was fixed by its charter. This question has been before the Supreme Court of the United States, which decided in the company's favor, and remitted the case to the Court of Claims to determine what was a reasonable rate of compensation for postal service. Testimony touching this question is now being taken.

There is also pending, or about to be brought at the company's suggestion, in the Court of Claims a suit with the United States to obtain a construction of the Thurman act, so called, as respects the meaning of "net earnings" as therein used.

In New York and Boston there are undetermined suits by and against the Credit Mobilier as to the state of accounts between the two companies, each claiming moneys from the other.

In New York there are suits as to the construction of an income mortgage made by the Kansas Pacific, and also as to the effect of the consolidation upon alleged liabilities of the constituent companies.

The motion for an injunction in the Leo suit has been decided in favor of the company.

If the foregoing does not embrace all that you desire to know, it will give me pleasure to comply with any further request you may make.

Very truly yours,

JOHN F. DILLON,
General Solicitor, Union Pacific Railway Company.

GEO. G. HAVEN, Esq., *Chairman.*

ISAAC H. BROMLEY, Esq., *Secretary, and others,*

Government Directors Union Pacific Railway Company.

From this it will be seen that the only suits in which the integrity of the company's franchise is directly assailed are in the nature of *quo warranto* brought by the State of Kansas—one against the Kansas Pacific Railway Company, seeking to annul the entire franchise of that company, and the other against the Union Pacific Railway Company seeking to oust the company from the right to operate the Kansas Pacific under the terms of the consolidation.

At an early stage of the proceedings in these cases it was brought to our attention that in the latter suit only the directors of the Union Pacific Railway Company elected by the stockholders had been made parties defendant, and that notwithstanding the large and direct interest of the Government in the suit, the directors representing that interest had not been informed of the proceeding by notice or summons, or by being included among the parties defendant. In order that the interests of the Government might not be left wholly unrepresented and unprotected, our chairman, Mr. Haven, acting for the Board and by its authority and by the advice of counsel, addressed a petition to the Supreme Court of Kansas asking that we be made parties to both suits, accompanying which were filed our petition and bond asking for the removal of both suits to the circuit court of the United States. The chairman of the Board having acted up to this point in the proceedings under the advice of Wager Swayne, Esq., as counsel, it was thought best before taking further action to lay the matter before the Department and receive your direction as to the subsequent steps. The following communication from Mr. Swayne to the Government Directors inclosing copies of the correspondence with the Department explains our action in the premises.

NEW YORK, October 31, 1883.

GENTLEMEN: Upon receipt of authority from you last week to Mr. George G. Haven authorizing him, as chairman of the Government Directors of the Union Pacific Railway Company, to take steps for the protection of the interests of the United States in the proceedings brought by the State of Kansas to annul the Kansas Pacific consolidation, the Union Pacific Railway Company arranged with me to act as your counsel in the premises, without expense to the United States or to yourselves. The Secretary of the Interior being that officer to whom your reports are directed by law, it seemed best that before any steps were taken by you or in your behalf, the Secretary would be informed of the pendency of these suits, and his instructions taken as to your moving in the matter.

I have, accordingly, made application in writing, in your names, to the Secretary for instructions, accompanying the same with printed copies of the bills filed by the State, and the answer of the company and the individual directors, copies of which I also transmit to each of you herewith. In reply, I have the Secretary's letter approving of your proceeding in the matter to protect the interests of the United States, as you have done, a copy of which letter, as also of my own, to which it is an answer, I inclose to you herewith.

Steps have been taken to remove the cause from the Supreme Court of Kansas to the Circuit Court of the United States for the District of Kansas. That court

meets on the fourth Monday of November next. An answer will meantime be prepared for the Government Directors, to be used if they are made parties to the suits, or either of them, setting forth the interest in the premises of the United States. A copy of this also will be transmitted to you.

Yours very truly,

WAGER SWAYNE.

To ISAAC H. BROMLEY, Esq.,
GEORGE G. HAVEN, Esq.,
WATSON PARRISH, Esq.,
ARTHUR L. CONGER, Esq.,
COLGATE HOYT, Esq.,

Government Directors, &c.

WASHINGTON, D. C., October 29, 1883.

SIR: At the request of Mr. George G. Haven, chairman of the Government Directors of the Union Pacific Railway Company, I herewith transmit to you printed copies of the petition in each of two suits brought by the State of Kansas in the Supreme Court of that State. One of these suits is in the nature of *quo warranto* making the Kansas Pacific Railway Company the only defendant, and seeking to annul the entire franchise of that company. The other is also in the nature of *quo warranto*, and makes parties defendant only those of the directors of the Union Pacific Railway Company who are elected by the stockholders of that company, omitting the Government Directors.

This petition seeks to oust the defendants from all right or claim to operate the railroad of the Kansas Pacific Railway Company.

The ground of these suits is mainly that the Kansas Pacific Railway Company has consolidated with the Union Pacific Railway Company, and since then has not acknowledged itself to be a corporation of Kansas, nor kept its general offices in that State. The laws of Kansas provide that if judgment of ouster is entered in such cases, a receiver shall be appointed, the property of the corporation applies to the payment of its debts, and the affairs wound up.

In view of the repeated and peremptory requirements of the acts of Congress, by the aid of which these roads were built, that the Union Pacific Railroad and branches shall be operated as one continuous line, the further duties required of said railroad and branches by said acts, and the advances of money and grants of land made by the United States to the Kansas Pacific Railway Company, the Government Directors feel that interests of the United States are here involved which require to be protected. They have, therefore, instructed me as their counsel to lay before you the accompanying papers and ask your instructions in the premises. I also submit for your instruction a petition by Mr. Haven, for himself and the other Government Directors, which has been prepared by myself, addressed to the supreme court of Kansas, asking that the petitioners be made parties to both suits, and a petition and bond, to be used subsequently, for removal of both suits to the circuit court of the United States.

Your obedient servant,

Hon. HENRY M. TELLER.

WAGER SWAYNE.

Secretary of the Interior.

DEPARTMENT OF THE INTERIOR,

Washington, October 29, 1883.

SIR: I am informed that the State of Kansas has commenced legal proceedings in the supreme court of that State against the Union Pacific Railway Company and the directors thereof elected by the stockholders of said company, but that the directors appointed by the President to represent the interests of the United States in said corporation have not been made parties to such proceedings; that the proceedings are in the nature of *quo warranto* for the dissolution of the corporation called the Kansas Pacific Railway Company; that the action is based on the charge that the Kansas Railroad Company has forfeited its charter by consolidation with the United Pacific Railway Company.

Inasmuch as the United States is largely interested by way of mortgage or otherwise in the property of said Kansas Pacific Railway Company and in the maintenance of the said line in connection with the Union Pacific Railroad, as a continuous line, I consider it necessary that the directors appointed by the President to represent the interests of the United States in said Union Pacific Railroad Company should be made parties to such proceedings and should take such further steps as may be required to protect the interests of the United States.

Very respectfully,

H. M. TELLER

Secretary.

Hon. GEORGE G. HAVEN,

Chairman of the Government Directors,

Union Pacific Railroad Company, New York City.

The *quo warranto* cases were called in the United States circuit court of Kansas on the 26th of November last, the State being represented by the Attorney-General, and the Union Pacific Railway Company by Messrs. Dillon & Swayne. A postponement was asked by the Attorney-General on account of the absence of Mr. Clarence A. Seward, associate-counsel, and was opposed by the attorneys for the company upon the ground that they had been in communication with Mr. Seward and had learned from that gentleman that it was not his intention to be present at the hearing upon the petition to remove the suits to the circuit court of the United States. After some delay a postponement of one month was granted.

The general solicitor of the company informs us that at the suggestion of the United States circuit judges an arrangement was made by the counsel in the cases that a formal order remanding the cases should be entered and the causes be thereupon removed to the Supreme Court of the United States; and this has been done, the State stipulating meantime that it will not proceed in the State court while the matter is pending in the United States Supreme Court. It is believed that the question whether the trial of those cases in the first instance shall be had in the State or the Federal court will be decided by the United States Supreme Court at its present session. It is not disputed that that court has the ultimate right to decide the questions at issue between the State and the company.

THE DEBT TO THE GOVERNMENT.

The relations between the company and the Government growing out of the bonded indebtedness of the consolidated roads to the Government have never been entirely harmonious or satisfactory. Differences of opinion have arisen concerning the amounts due the company for Government service, mail carriage, Army transportation, &c., the terms of payment, construction of charter provisions and laws of Congress, and other matters of detail, so that there has seemed to be a constant clashing of interests between the two. The so called Thurman act, which was intended to be a conclusive settlement of the questions at issue between the Government and the company, has failed to effect its purpose, and a mutual understanding as to its meaning and scope has not yet been reached. That portion of the act which provided for the investment of a fixed proportion of the earnings of the road in certain United States bonds as a sinking fund for the gradual extinction of the debt, has been rendered inoperative and null by the action of the Government in taking up the bonds of the class named in the act, so that there are none now to be purchased in market. Hence it happens that the company has paid into the United States Treasury large sums of money which lie idle and uninvested, to, the company's loss, and with no gain to the Government. The value of the company's securities is impaired by this condition of things. It seems plain that, for the sake of the Government as well as of the company, there should be some additional legislation on this subject at as early a day as possible.

We are informed that it has been made a subject of consultation between the Treasury Department and the General Railroad Commissioner, but we do not learn that any practical result has been arrived at or any definite plan agreed on. The bonds issued in aid of the Union Pacific and Kansas Pacific roads, secured by second mortgage, fall due in 1895. They amount in principal and unpaid interest to nearly \$50,000,000.

Unless some provision is made to refund this debt upon a satisfactory

basis it is to be feared that the company will not be able to meet its obligations, and that disastrous financial complications may result. To avoid this it has been suggested that an actuarial computation of the net amount of those debts, principal and interest, at a certain day, say July 1, 1884, be made, and that this sum be divided into 120 equal parts, the company to issue 120 interest-bearing bonds, payable on each six months, until the whole debt is extinguished. This would give the company a fixed and definite sum to pay semi-annually, and would extend the time of payment over sixty years, at a constantly decreasing annual draft. The effect would be to remove the misunderstandings now existing as to what constitutes the 25 per cent. of net earnings required to be paid under the Thurman act, and would at the same time strengthen the security of the Government and enhance the credit of the company. This or something similar in the way of legislation seems to us very desirable, if not absolutely demanded by the necessities of the case. Should such a proposition be made by the company on behalf of the Government, we have no reason to doubt that it would be cordially accepted by the company.

IN CONCLUSION.

In concluding our report, which is necessarily somewhat longer than usual, on account of the number of topics it has been thought desirable to cover, we have only to repeat the expression of our confidence in the future of the road and its ultimate ability to meet all its obligations to the Government. The road-bed, track, buildings, and equipment are all in excellent condition, and kept well up to the highest standard of the best roads in the country. The feeding lines are bringing each year additional traffic to the main line and increased profits from their own business, to the permanent advantage of the whole system.

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